CONTRACT

THIS AGREEMENT, made this 24th day of July 2014 by and between County of Erie herein called "OWNER", acting herein through its COUNTY EXECUTIVE and

NFP and Sons, Inc.
(A corporation)

of 7311 Ward Rd., North Tonawanda, County of Erie, and State of New York hereinafter called "CONTRACTOR".

WITNESSETH: That for and in consideration of the payments and agreements hereinafter mentioned, to be made and performed by the OWNER, the CONTRACTOR hereby agrees with the OWNER to commence and complete the construction described as follows:

Replacement of the blower room and work room (including transfer or replacement of all equipment) of the Clarence Research Park Wastewater Treatment Plants and abandonment of existing building.

hereinafter called the project, complete, in place, tested, and ready for use in accordance with the Specifications and Plans dated May 7, 2014, by DiDonato Engineering & Design Professionals, hereinafter called the "ENGINEER".

WITNESSETH, that the CONTRACTOR and the OWNER, for the considerations hereinafter named, agree as follows:

ARTICLE I – ADDENDA

The Contractor hereby agrees for themselves, (himself), (itself), their, (his), (its), heirs, executors, administrators, successors and assigns, for the consideration hereinafter mentioned to furnish all the labor, materials, equipment, supplies, machinery, tools, superintendence, insurance and other accessories and services necessary to complete the said Project in accordance with the following documents that are incorporated herein and shall form a part of the Contract and the provisions thereof shall be as binding upon the parties as if they were fully set forth herein. These documents made part of the Contract herein shall collectively be called the "Contract Documents" and include the Notice to Bidders, Instructions to Bidders, Proposal, Contract and Bid Bonds, General Contract Conditions, Specific Contract Conditions, Specifications, Contract Drawings and Plans, Division 1, 2, 3, 4, 5, 6, 8, 9, 11, 13, 15, and 16, any and all other writings necessary to complete the Project and the following Addenda:

Number	Dated	Contract(s)
1	June 6, 2014	No. 19

ARTICLE II – DAMAGES

In the event that the Contractor shall fail to complete the work within the time stated in this Contract, as the same may be modified by extensions of time granted by the Engineer, the Contractor and his sureties shall be liable for, and pay to the Owner, damages for such delay. The Contractor acknowledges that such damages might well be difficult to determine specifically and, therefore, agrees that such damages shall be fixed in the agreed liquidated amount of $400 for each calendar day of such delay until the work is completed and accepted. These damages are separate from any additional engineering inspection costs that may be the responsibility of the Contactor as stated in Paragraph 36, ADDITIONAL ENGINEERING SERVICES, of the General Contract Conditions.

ARTICLE III – TIME OF COMPLETION

(a) The work to be completed under this Contract shall be commenced within five (5) days after the date of Notice to Proceed.

(b) The entire work shall be completed no later than 150 calendar days from the date of the Notice to Proceed.

ARTICLE IV – THE CONTRACT SUM

(a) The Owner shall pay to the Contractor for the performance of the Contract, the following Contract sum: Four-hundred and fifty-three thousand and three-hundred dollars ($453,300.00).

The Contract sum is subject to additions and deductions by Change Order as provided in the Conditions of the Contract.

(b) It is understood by Parties that this agreement shall be executory only to the extent of the monies available to the County of Erie and appropriated therefore, a no liability on account thereof shall be incurred by the County beyond monies available and appropriated for the purposes thereof.

(c) The Contract sum shall be equitably adjusted to cover changes in the work ordered by the Owner or the Engineer but not shown on the Drawings or required by the Specifications. Such increases or decreases in the Contract sum shall be determined by agreement between the Owner, or the Engineer as his representative and the

Contractor. If it is impractical to arrive at a pre-agreed upon amount, additional work may be done under the provisions of Article VII.

ARTICLE V – PROGRESS PAYMENTS

The Owner shall make payments on account of the Contract as follows:

(a) Prior to the submission of the first invoice for partial payment, the Contractor shall submit to the Engineer a form of invoice, detailing the items of work, dollar amounts and portion of the total contract price represented thereby for review. The Engineer shall submit the form of invoice to the Owner for final acceptance. In the event that the invoice form is not acceptable, the Contractor shall supply such further information as required and shall resubmit the form of invoice for review until such form of invoice is acceptable. The form of invoice shall list the items of work, dollar amounts and percentage of the total contract price represented thereby in sufficient detail to enable the Engineer to determine the amount of work completed and the value of such work completed and submitted for payment.

(b) No later than the fifth of every month, the Contractor shall submit to the Engineer for review, the Engineer's Standard Monthly Estimate Form or an acceptable invoice covering the percentage of the total amount of the Contract which has been completed from the start of the job up to and including the last day of the preceding month, together with such supporting evidence as may be required by the Owner or the Engineer.

(c) No later than forty-five (45) days following the submittal, the Owner will make partial payment to the Contractor on the basis of a duly certified acceptable, reviewed estimate of the work performed during the preceding period by the Contractor. Retained amounts shall be limited, except where greater retention is necessary under specific circumstances specifically provided for in the construction contract, to the following schedule:

(1) retention of 5% of payments claimed until construction is completed;

(2) when the project is substantially complete (operational or beneficial occupancy), the retained amount shall be further reduced to two times the value of any remaining items to be completed and any amount necessary to satisfy any claims, liens or judgments against the Contractor which have not been suitably discharged.

(3) only bonds or notes of the United States of America, New York State or political subdivisions thereof may be accepted in lieu of all or part of the cash retainage.

(d) Upon requisition from the Contractor, payment will be made for specialty items pertinent to the project which have been delivered to the site or offsite by the Contractor and suitably stored and secured as required by the Owner. The Contractor understands the Owner limits such payment to materials in short and/or critical supply or items specially fabricated for the project each as defined in the Contract Documents. Upon request for payment, the Contractor shall furnish to the Owner manufactured materials. Payment for such items/materials shall be made at 90% of the amount of the supplier's invoice or 95% of the contractor's actual payment to the supplier whichever is the lesser.

(e) All work covered by partial payments made shall thereupon become the sole property of the Owner, but this provision shall not be construed as relieving the Contractor from the sole responsibility for the care and protection of work upon which payments have been made or the restoration of any damaged work, or as a waiver of the right of the Owner to require the fulfillment of all the terms of the Contract.

(f) Before any payments will be made under this Contract, the Owner reserves the right to require that the Contractor and all subcontractors shall submit written verified statements, in satisfactory form, certifying in detail to the amount then due and unpaid by such Contractor and Subcontractor to all laborers for daily or weekly wages on account of labor performed upon the work under this Contract, or to other persons for materials, equipment and supplies delivered at the site of the work. The term "laborers" as used herein shall include workmen and mechanics.

(g) Upon approval by State and Federal regulatory agencies, the Owner will take under consideration interim progress payments to the Contractor during the manufacture of specialized major equipment items.

ARTICLE VI – ACCEPTANCE AND FINAL PAYMENT

(a) Upon completion of the project, the Engineer shall make a final observation and review of all the work done under this Contract and shall, within 15 days after the acceptance of the work by the Engineer and the Owner, prepare a final statement of the work done and the value thereof. The Owner shall, upon approval of the final statement, promptly pay the Contractor the entire sum so found due thereunder after deducting all previous payments and all percentages and amounts to be kept and retained under provisions of this Contract. All prior partial payments shall be subject to correction in the final estimate and payment.

(b) Before issuance of final statement, the Contractor shall submit evidence satisfactory to the Owner and Engineer that all payrolls, material bills and other indebtedness connected with the work have been paid.

(c) The acceptance by the Contractor of the final payment shall be and shall operate as a release to the Owner of all claims and all liability to the Contractor for all things done or furnished in connection with this work, and for every act and neglect of the Owner

and other relating to or arising out of this work, excepting the contractor's claim for interest upon the final payment, if this payment be improperly delayed. No payment, however, final or otherwise, shall operate to release the Contractor or his sureties from any obligations under the Contract or the Performance Bond.

ARTICLE VII – CHANGE IN THE WORK

Payment for changes in the work shall be made under the provisions of Paragraph 82, Changes in the Work, of the General Contract Provisions.

ARTICLE VIII – REPRESENTATION OF CONTRACTOR

The Contractor represents and warrants:

(a) That he is financially solvent and that he is experienced in and competent to perform the type of work and to furnish the material, supplies, or equipment, to be so performed or furnished by him; and

(b) That he understands the specifications and he assumes full responsibility for the ways, means, and methods to accomplish the intent and performance goals of the plans and specifications; and

(c) That if the Engineer finds a portion of the contracted work to be defective, he will be fully responsible for all costs, means and methods necessary to correct said deficiencies to the satisfaction of Engineer; and

(d) That he is familiar with all Laws, Ordinances, Rules and Regulations, which may in any way affect the work of these employed herein, including, but not limited to any special acts relating to the work or to the project of which it is part a part; and

(e) That such temporary work required by the Contract Documents as is to be done by him can be satisfactorily constructed and used for the purpose for which it is intended, and that such construction will not injure any person or damage any property.

ARTICLE IX – PRIORITY OF CONDITIONS

Any provisions of the General Conditions, and Special Conditions, inclusive, in conflict or inconsistent with the requirements of the conditions stated in Article I through XIV of this Contract, with the exception of such provisions as are required by applicable law or regulations, shall be void to the extent of such conflict or inconsistency.

ARTICLE X – ASSIGNMENT

The Contractor further agrees that he will not assign, transfer, convey, sublet or otherwise dispose of this contract or of his right, title or interest therein or his power to execute same without

the consent in writing of the Owner, or any monies which are to become due or payable to him because thereof to any person, company or corporation without the previous consent in writing of the Owner, and that until such consent in writing shall have been given, no claim or demand shall exist in favor of any person, company or corporation to any of the monies to be paid by the Owner on account of the provisions of this contract, in favor of any person, association or corporation except the said Contractor.

ARTICLE XI – COMMUNICATION

The Contractor hereby designates the following phone number, Area Code _____ Number _____ as the number of his office where messages can be received or recorded throughout the normal working hours and in the event when the office is not staffed for the working day hereby designates the following phone number, Area Code ___ Number _____ of an answering service which will receive phone calls and pass messages to the Contractor. Phone messages which require a direct answer by the Contractor to the Engineer shall be answered no later than the next working day.

ARTICLE XII – PAYMENT

The Owner will pay the sum herein contracted for upon the execution and submission of vouchers approved by the Owner.

ARTICLE XIII – INDEMNIFICATION

The Contractor shall indemnify and hold harmless the Owner (County of Erie), its officers, employees and agents from and against any and all liability, damage, claims, demands, costs, judgement, fees, attorney's fees or loss arising directly or indirectly out of the performance or failure to perform hereunder by the Contractor or third parties under the direction or control of the Contractor; the Contractor shall provide defense for and defend, at its sole expense, any and all claims, demands or causes of action directly or indirectly arising out of this Agreement and to bear all other costs and expenses related thereto.

ARTICLE XIV – INSURANCE

The Contractor agrees to maintain insurance coverage required by the Owner in accordance with County of Erie Standard Insurance Certificate and to include the Owner as an additional named insured on said policies.

LEGISLATURE MINUTES

DATE	PAGE	ITEM
July 24, 2014		14E-13

IN WITNESS WHEREOF, the parties have made and executed this Agreement, the day and year first above written.

BY: MARK POLONCARZ/RICHARD TOBE
TITLE: County Executive/
Deputy County executive
ADDRESS: 95 FRANKLIN STREET
BUFFALO, NY 14202
DATED: _____

CONTRACTOR: NFP and Sons, Inc
BY: Franklin A. Prezioso
TITLE: Vice President
ADDRESS: 7311 Ward Rd. NT, NY 14120
DATE: 8/21/14

RECOMMENDED BY:

JOSEPH L. FIEGL, P.E.
Deputy Commissioner
Division of Sewerage Management
Erie County, New York
DATE: 9/3/14

APPROVED AS TO CONTENT:

(Electronically Signed)
MARIA R. WHYTE
Commissioner, Department of
Environment & Planning
Erie County, New York
DATE: _____

APPROVED AS TO FORM

(Electronically Signed)

Assistant County Attorney
Erie County, New York
DOCUMENT NO.: _____
DATE: _____

FUNDING AVAILABLE

Deputy Comptroller
Erie County, New York
DATE: 9/5/14

COUNTY OF ERIE
UNIFORM CERTIFICATE OF ACKNOWLEDGEMENT

STATE OF NEW YORK)
COUNTY OF ERIE) ss.:
CITY OF BUFFALO)

On the _____ day of _____, in the year 20_____, before me, the undersigned, personally appeared Mark C. Poloncarz, Erie County Executive/____ _____ Deputy County Executive, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the entity or individual upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

CONTRACTOR
UNIFORM CERTIFICATE OF ACKNOWLEDGEMENT

STATE OF NEW YORK)
: ss
COUNTY OF Niagara)

On the 21st day of August, in the year 2014, before me, the undersigned, personally appeared Franklin A. Prezioso _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Heather E P.

HEATHER E PERRI
Notary Public - State of New York
NO. 01PE6218432
Qualified in Niagara County
My Commission Expires 3/8/18

STATE OF NEW YORK

LEGISLATURE OF ERIE COUNTY

CLERK'S OFFICE

BUFFALO, N.Y., JULY 24, 2014

TO WHOM IT MAY CONCERN:

I HEREBY CERTIFY, *That at the **15th** Session of the Legislature of Erie County, held in the Legislative Chambers, in the City of Buffalo, on the **twenty-fourth** day of **July, 2014 A.D.**, a Resolution was adopted, of which the following is a true copy:*

WHEREAS, the Erie County Department of Environment and Planning has received the following lowest responsible bid for the Erie County Sewer District No. 5, Clarence Research Park STP Improvements, Contract No. 19 at 2:00 P.M. on June 10, 2014:

Contract	Low Bidder	Amount
Contract No. 19	NFP and Sons, Inc. 7311 Ward Road North Tonawanda, NY 14120	$453,300.00

WHEREAS, the aforementioned lowest responsible bidder has successfully completed similar sized construction contracts in Erie County; and

WHEREAS, there is available cash in the County Sewer District No. 5 Capital Reserve Account C.00005.

NOW, THEREFORE BE IT

RESOLVED, the Clarence Research Park STP Improvement project, Contract No. 19, be awarded to NFP and Sons, Inc. in the not to exceed amount of $453,300.00; and be it further

RESOLVED, that the County Executive be, and hereby is, authorized to execute the Contract with the aforementioned lowest responsible bidder subject to approval as to content by the Commissioner of the Department of Environment and Planning and approval as to form by the County Attorney's office; and be it further

RESOLVED, that the Erie County Comptroller and Director of Budget and Management be authorized and directed to establish a new Capital Project – C.14501 – "ECSD5 CRP STP Upgrades .453M", with estimated revenues of $453,300.00 ((486000), Interfund Transfer from Capital Reserve) and appropriations of $453,300.00 (Professional Services (516020)), and to establish all budgetary accounts necessary to facilitate transfer of funds; and be it further

RESOLVED, that the Erie County Comptroller and Director of Budget and Management be authorized to establish budgets as necessary and directed to transfer $453,300.00 from Erie County Sewer District No. 5 Capital Reserve Account C.00005 to Erie County Sewer District No. 5 Capital Account C.14501; and be it further

RESOLVED, that the Erie County Comptroller be authorized and directed to allocate $453,300.00 from Erie County Sewer District No. 5 Capital Account C.14501 for this project, and be it further;

RESOLVED, that the Clerk of the Legislature be directed to send one (1) certified copy each of this resolution to the County Executive, the County Comptroller, the Director of Budget and Management, and Kristen Walder, Assistant County Attorney; and send two (2) certified copies of this resolution to Joseph L. Fiegl, P.E., Department of Environment and Planning.

REFERENCE: COMM. 14E-13 (2014)

NFPSO-1 OP ID: KT

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 08/06/14

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Niagara National, Inc. 5001 Genesee Street Buffalo, NY 14225 James M. Kuryak 716-684-6000 716-684-6285	CONTACT NAME: Karen M Tomasik PHONE (A/C, No, Ext): 716-684-6000 FAX (A/C, No): 716-684-6285 E-MAIL ADDRESS: ktomasik@niagaranational.com
INSURED N F P & Sons Inc 7311 Ward Road N. Tonawanda, NY 14120	INSURER(S) AFFORDING COVERAGE — NAIC # INSURER A : Selective Ins Co of America — 12572 INSURER B : Continental Indemnity Company — 28258 INSURER C : Guardian Life Insurance Co. INSURER D : INSURER E : INSURER F :

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE X OCCUR X Prim/NonContrib X Indep Contractors GEN'L AGGREGATE LIMIT APPLIES PER: POLICY X PRO-JECT LOC	X	X	S1760405	05/10/14	05/10/15	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 1,000,000 $ 100,000 $ 10,000 $ 1,000,000 $ 3,000,000 $ 3,000,000
A	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS X SCHEDULED AUTOS X HIRED AUTOS X NON-OWNED AUTOS	X	X	S1760405	05/10/14	05/10/15	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ 1,000,000 $ $ $
A	X UMBRELLA LIAB X OCCUR EXCESS LIAB CLAIMS-MADE DED X RETENTION $ 10000	X	X	S1760405	05/10/14	05/10/15	EACH OCCURRENCE AGGREGATE	$ 5,000,000 $ 5,000,000
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y/N N (Mandatory In NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A		46-823742-01-05	03/15/14	03/15/15	X WC STATU-TORY LIMITS OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	$ 100,000 $ 100,000 $ 500,000
C	NYState Disability			993427 0000	04/01/14	03/31/15		Statutory

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, If more space is required)
Project: Erie County Sewer District No. 5 - Contract No. 19
Clarence Research Park STP Improvements
Terms and Conditions as per CG72021211; CG79210110; and CA7735NY0312. Copy attached.

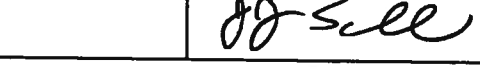
CERTIFICATE HOLDER

County of Erie
95 Franklin Street
Buffalo, NY 14202

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE



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STATE OF NEW YORK
WORKERS' COMPENSATION BOARD

CERTIFICATE OF NYS WORKERS' COMPENSATION INSURANCE COVERAGE

1a. Legal Name & Address of Insured (Use street address only)
NFP & Sons, Inc.
7311 Ward Road
North Tonawanda NY 14120

Work Location of Insured *(Only required if coverage is specifically limited to certain locations in New York State, i.e., a Wrap-Up Policy)*

1b. Business Telephone Number of Insured
(716) 695-2926

1c. NYS Unemployment Insurance Employer Registration Number of Insured
0752599

1d. Federal Employer Identification Number of Insured or Social Security Number
16-0986548

2. Name and Address of the Entity Requesting Proof of Coverage (Entity Being Listed as the Certificate Holder)
County of Erie
95 Franklin Street
Buffalo NY 14202

3a. Name of Insurance Carrier
Continental Indemnity Company

3b. Policy Number of entity listed in box "1a"
46-8237-42-01-05

3c. Policy effective period
03/15/2014 to 03/15/2015

3d. The Proprietor, Partners or Executive Officers are
☒ **included.** **(Only check box if all partners/officers included)**
☐ **all excluded or certain partners/officers excluded.**

This certifies that the insurance carrier indicated above in box "3" insures the business referenced above in box "1a" for workers' compensation under the New York State Workers' Compensation Law. (To use this form, New York (NY) must be listed under Item 3A on the INFORMATION PAGE of the workers' compensation insurance policy). The Insurance Carrier or its licensed agent will send this Certificate of Insurance to the entity listed above as the certificate holder in box "2".

The Insurance Carrier will also notify the above certificate holder within 10 days IF a policy is canceled due to nonpayment of premiums or within 30 days IF there are reasons other than nonpayment of premiums that cancel the policy or eliminate the insured from the coverage indicated on this Certificate. (These notices may be sent by regular mail.) Otherwise, this Certificate is valid for one year after this form is approved by the insurance carrier or its licensed agent, or until the policy expiration date listed in box "3c", whichever is earlier.

Please Note: Upon the cancellation of the workers' compensation policy indicated on this form, if the business continues to be named on a permit, license or contract issued by a certificate holder, the business must provide that certificate holder with a new Certificate of Workers' Compensation Coverage or other authorized proof that the business is complying with the mandatory coverage requirements of the New York State Workers' Compensation Law.

Under penalty of perjury, I certify that I am an authorized representative or licensed agent of the insurance carrier referenced above and that the named insured has the coverage as depicted on this form.

Approved by: John J. Schwab, Niagara National, Inc.
(Print name of authorized representative or licensed agent of insurance carrier)

Approved by: _____ 08/06/2014
(Signature) (Date)

Title: President

Telephone Number of authorized representative or licensed agent of insurance carrier: (716) 684-6000

Please Note: Only insurance carriers and their licensed agents are authorized to issue Form C-105.2. Insurance brokers are NOT authorized to issue it.

Workers' Compensation Law

Section 57. Restriction on issue of permits and the entering into contracts unless compensation is secured.

1. The head of a state or municipal department, board, commission or office authorized or required by law to issue any permit for or in connection with any work involving the employment of employees in a hazardous employment defined by this chapter, and notwithstanding any general or special statute requiring or authorizing the issue of such permits, shall not issue such permit unless proof duly subscribed by an insurance carrier is produced in a form satisfactory to the chair, that compensation for all employees has been secured as provided by this chapter. Nothing herein, however, shall be construed as creating any liability on the part of such state or municipal department, board, commission or office to pay any compensation to any such employee if so employed.

2. The head of a state or municipal department, board, commission or office authorized or required by law to enter into any contract for or in connection with any work involving the employment of employees in a hazardous employment defined by this chapter, notwithstanding any general or special statute requiring or authorizing any such contract, shall not enter into any such contract unless proof duly subscribed by an insurance carrier is produced in a form satisfactory to the chair, that compensation for all employees has been secured as provided by this chapter.

STATE OF NEW YORK
WORKER'S COMPENSATION BOARD
CERTIFICATE OF INSURANCE COVERAGE UNDER THE NYS DISABILITY BENEFITS LAW

PART 1. To be completed by Disability Benefits Carrier or Licensed Insurance Agent of that Carrier

1a. Legal Name and Address of Insured (Use street address only)	1b. Business Telephone Number of Insured (716) 310-1791 1c. NYS Unemployment Insurance Employer Registration Number of Insured 07-5259-9 1d. Federal Employer Identification Number of Insured or Social Security Number 16-0986548
N F P & SONS INC 7311 WARD ROAD NORTH TONAWANDA NY 14120	
2. Name and Address of the Entity Requesting Proof of Coverage (Entity Being Listed as the Certificate Holder) COUNT OF ERIE 95 FRANKLIN STREET BUFFALO NY 14202	3a. Name of Insurance Carrier GUARDIAN LIFE INS CO OF AMERICA 3b. Policy Number of entity listed in box "1a": 00993427 3c. Policy effective period: 04/01/2014 to 03/31/2015

4. Policy Covers:

a. ☒ All of the employer's employees eligible under the New York Disability Benefits Law

b. ☐ Only the following class or classes of the employer's employees:

Under penalty of perjury, I certify that I am an authorized representative or licensed agent of the insurance carrier referenced above and that the named insured has NYS Disability Benefits insurance coverage as described above.

Date Signed: 08/06/2014 By: JJ Scott

Telephone Number: (716) 684-6000 Title: President

IMPORTANT: **If box "4a" is checked, and this form is signed by the insurance carrier's authorized representative or NYS Licensed Insurance Agent of that carrier, this certificate is COMPLETE. Mail it directly to the certificate holder. If box "4b" is checked, this certificate is NOT COMPLETE for purposes of Section 220, Subd. 8 of the Disability Benefits Law. It must be mailed for completion to the Workers' Compensation Board, DB Plans Acceptance Unit, 20 Park Street, Albany, New York 12207.**

PART 2. To be completed by NYS Workers' Compensation Board (Only if box "4b" of Part 1 has been checked)

State Of New York
Workers' Compensation Board

According to information maintained by the NYS Workers' Compensation Board, the above-named employer has complied with the NYS Disability Benefits Law with respect to all of his/her employees.

Date Signed: By:

(Signature of NYS Workers' Compensation Board Employee)

Telephone Number: Title:

Please Note:** Only insurance carriers licensed to write NYS disability benefits insurance policies and NYS licensed insurance agents of those insurance carriers are authorized to issue Form DB-120.1. **Insurance brokers are NOT authorized to issue this form.

DB-120.1 (7/09)

Additional Instructions for Form DB-120.1

By signing this form, the insurance carrier identified in box "3" on this form is certifying that it is insuring the business referenced in box "1a" for disability benefits under the New York State Disability Benefits Law. The Insurance Carrier or its licensed agent will send this Certificate of Insurance to the entity listed as the certificate holder in box "2". *This Certificate is valid for the earlier of one year after this form is approved by the insurance carrier or its licensed agent, or the policy expiration date listed in box "3c".*

Please Note: Upon the cancellation of the disability benefits policy indicated on this form, if the business continues to be named on a permit, license or contract issued by a certificate holder, the business must provide that certificate holder with a new Certificate of NYS Disability Benefits Coverage or other authorized proof that the business is complying with the mandatory coverage requirements of the New York State Disability Benefits Law.

DISABILITY BENEFITS LAW

§220.Subd. 8

(a) The head of a state or municipal department, board, commission or office authorized or required by law to issue any permit for or in connection with any work involving the employment of employees in employment as defined in this article, and not withstanding any general or special statute requiring or authorizing the issue of such permits, shall not issue such permit unless proof duly subscribed by an insurance carrier is produced in a form satisfactory to the chair, that the payment of disability benefits for all employees has been secured as provided by this article. Nothing herein, however, shall be construed as creating any liability on the part of such state or municipal department, board, commission or office to pay any disability benefits to any such employee if so employed.

(b) The head of a state or municipal department, board, commission or office authorized or required by law to enter into any contract for or in connection with any work involving the employment of employees in employment as defined in this article, and notwithstanding any general or special statute requiring or authorizing any such contract, shall not enter into any such contract unless proof duly subscribed by an insurance carrier is produced in a form satisfactory to the chair, that the payment of disability benefits for all employees has been secured as provided by this article.

ELITEPAC
General Liability Extension

COMMERCIAL GENERAL LIABILITY
CG 72 02 12 11

SUMMARY OF COVERAGES (including index)

This is a summary of the various additional coverages and coverage modifications provided by this endorsement. No coverage is provided by this summary. Refer to the actual endorsement (Pages 3-through-8) for changes affecting your insurance protection.

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ELITEPAC
General Liability Extension

COMMERCIAL GENERAL LIABILITY
CG 72 02 12 11

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies the insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The **SECTIONS** of the Commercial General Liability Coverage Part identified in this endorsement will be amended as shown below. However, **when two or more Coverage Parts of this policy apply to a loss,** only the broadest coverage of this policy will apply, unless specifically stated otherwise within the particular amendment covering that loss.

COVERAGES - Amendments

SECTION I - COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY

COVERAGE EXTENSION

Property Damage - "Golfing Facilities"

If you operate a "golfing facility", Paragraph **1. Insuring Agreement** under **COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY** is amended to include the following:

"Property damage" to any property not owned by you, caused by golf balls originating from your premises, regardless of your legal liability for the damage. The most we will pay under this extension is a sub-limit of $2,500 per "occurrence". No deductible applies to loss under this extension.

EXCLUSIONS

Employer's Liability Amendment

(This provision is not applicable in New York).

The following is added to Exclusion **e. Employer's Liability** under **COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions:**

This exclusion also does not apply to any "temporary worker".

Non-Owned Aircraft, Auto or Watercraft

The following is added to Exclusion **g. Aircraft, Auto Or Watercraft** under **COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions:**

This exclusion does not apply to:

(6) A watercraft you do not own that is less than 60 feet long, and not being used to carry persons or property for a charge. Any person is an insured who uses or is responsible for the use of such watercraft with your expressed or implied consent. However, if the insured has any other valid and collectible insurance for "bodily injury" or "property damage" that would be covered under this provision, or on any other basis, this coverage is then excess, and subject to Condition **4. Other Insurance, b. Excess Insurance** under **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS.**

(7) Any aircraft, not owned or operated by any insured, that is hired, chartered or loaned with a paid crew. However, if the insured has any other valid and collectible insurance for "bodily injury" or "property damage" that would be covered under this provision, or on any other basis, this coverage is then excess, and subject to Condition **4. Other Insurance, b. Excess Insurance** under **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS.**

Damage To Premises Rented to You

A. The last paragraph of Paragraph **2. Exclusions** under **COVERAGE A BODILY INJURY AND PROPERTY DAMAGE** is deleted in its entirety and replaced with the following:

Exclusions **c. through n.** do not apply to damage by fire, lightning or explosion to premises rented to you or temporarily occupied by you with the permission of the owner. A separate limit of insurance applies to this coverage as described in **SECTION III - LIMITS OF INSURANCE.**

B. Paragraph **6.** under **SECTION III - LIMITS OF INSURANCE** is deleted in its entirety and replaced with the following:

6. Subject to Paragraph **5.** above, the most we will pay under **COVERAGE A** for damages because of "property damage" to any one premises, while rented to you, or in the case of damage caused by fire, lightning or explosion, while rented to you or temporarily occupied by you with permission of the owner, for all such damage caused by fire, lightning or explosion proximately caused by the same event, whether such damage results from fire, lightning or explosion or any combination of the three, is the higher of $500,000 or the amount shown in the Declarations for the Damage To Premises Rented To You Limit.

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C. Paragraph **a.** of Definition **9.** "Insured contract" under **SECTION V - DEFINITIONS** is deleted in its entirety and replaced with the following:

a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire, lightning or explosion to premises while rented to you or temporarily occupied by you with the permission of the owner is not an "insured contract";

Electronic Data Liability

Exclusion **p. Electronic Data** under **COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions** is deleted in its entirety and replaced by the following:

p. Electronic Data

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate "electronic data" that does not result from physical injury to tangible property.

The most we will pay for damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate "electronic data" that results from physical injury to tangible property is a sub-limit of $100,000 for "property damage" because of all applicable loss of "electronic data" arising out of any one "occurrence".

SECTION I - COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY

EXCLUSIONS

Contractual Exclusion Amendment

Exclusion **e. Contractual Liability** under **COVERAGE B PERSONAL AND ADVERTISING INJURY, 2. Exclusions** is deleted in its entirety and replaced with the following:

e. Contractual Liability

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement arising out of an "advertisement". This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

SECTION I - COVERAGE C MEDICAL PAYMENTS

EXCLUSIONS

Any Insured Amendment

Exclusion **a. Any Insured** under **COVERAGE C MEDICAL PAYMENTS, 2. Exclusions** is deleted in its entirety and replaced with the following:

a. Any Insured

To any insured.

This exclusion does not apply to:

(1) "Golfing facility" members who are not paid a fee, salary, or other compensation;

(2) "Not-for-profit members"; or

(3) "volunteer workers".

This exclusion exception does not apply if **COVERAGE C MEDICAL PAYMENTS** is excluded by another endorsement to this Coverage Part.

Product Amendment

Exclusion **f. Products-Completed Operations Hazard** under **COVERAGE C MEDICAL PAYMENTS, 2. Exclusions** is deleted in its entirety and replaced with the following:

f. Products-Completed Operations Hazard

Included within the "products-completed operations hazard".

This exclusion does not apply to "your products" sold for use or consumption on your premises, while such products are still on your premises, if you are a not-for-profit operation or a "golfing facility".

This exclusion exception, does not apply if **COVERAGE C MEDICAL PAYMENTS** is excluded by another endorsement to this Coverage Part.

Recreational Medical Payments - Amateur Golf

Exclusion **e. Athletics Activities** under **COVERAGE C MEDICAL PAYMENTS, 2. Exclusions** is deleted in its entirety and replaced with the following:

e. Athletics Activities

To a person injured while practicing, instructing or participating in any physical exercises or games, sports or athletic contests.

If you are a "golfing facility", this exclusion does not apply to a person injured as a result of their participation in amateur athletics that are recreational in nature.

This exclusion exception does not apply if **COVERAGE C MEDICAL PAYMENTS** is excluded by another endorsement to this Coverage Part.

SECTION I - SUPPLEMENTARY PAYMENTS - COVERAGES A AND B

Expenses For Bail Bonds And Loss Of Earnings

A. Subparagraph **1.b.** under **SUPPLEMENTARY PAYMENTS - COVERAGES A AND B** is deleted in its entirety and replaced with the following:

b. Up to $5,000 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.

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B. Subparagraph 1.d. under **SUPPLEMENTARY PAYMENTS - COVERAGES A AND B** is deleted in its entirety and replaced with the following:

d. All reasonable expenses incurred by the Insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to $1,000 a day because of time off from work.

SECTION II - WHO IS AN INSURED - Amendments

Not-for-Profit Organization Members

The following paragraph is added to **SECTION II - WHO IS AN INSURED:**

If you are an organization other than a partnership, joint venture, or a limited liability company, and you are a not-for-profit organization, your officials, trustees, board members, insurance managers, and "not-for-profit members" are included as additional insureds, however only with respect to their liability for your activities or activities they perform on your behalf.

Employees As Insureds Modified

A. Subparagraph **2.a.(1)(a)** under **SECTION II - WHO IS AN INSURED** does not apply to "bodily injury" to a "temporary worker" caused by a co-"employee" who is not a "temporary worker".

B. Subparagraph **2.a.(2)** under **SECTION II - WHO IS AN INSURED** does not apply to "property damage" to the property of a "temporary worker" caused by a co-"employee" who is not a "temporary worker".

C. Subparagraph **2.a.(1)(d)** under **SECTION II - WHO IS AN INSURED** does not apply to "bodily injury" caused by cardio-pulmonary resuscitation or first aid services administered by a co-"employee".

Newly Formed Or Acquired Organizations

A. Subparagraph **3.a.** under **SECTION II - WHO IS AN INSURED** is deleted in its entirety and replaced with the following:

a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier. However, **COVERAGE A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization.

B. The following paragraph is added to **SECTION II - WHO IS AN INSURED,** Paragraph 3:

If you are engaged in the business of construction of dwellings three stories or less in height, or other buildings three stories or less in height and less than 25,000 square feet in area, you will also be an insured with respect to "your work" only, for the period of time described above, for your liability arising out of the conduct of any partnership or joint venture of which you are or were a member, even if that partnership or joint venture is not shown as a Named Insured. However, this provision only applies if you maintain or maintained an interest of at least fifty percent in that partnership or joint venture for the period of that partnership or joint venture.

This provision does not apply to any partnership or joint venture that has been dissolved or otherwise ceased to function for more than thirty-six months.

With respect to the insurance provided by this provision, **Newly Formed or Acquired Organizations**, the following is added to **SECTION IV - COMMERCIAL GENERAL LIABILITY**, Paragraph **4. Other Insurance**, Subparagraph **b. Excess Insurance:**

The insurance provided by this provision, **Newly Formed or Acquired Organizations**, is excess over any other insurance available to the insured, whether primary, excess, contingent or on any other basis.

(All other provisions of this section remain unchanged).

Blanket Additional Insureds - As Required By Contract

Subject to the **Primary and Non-Contributory** provision set forth in this endorsement, **SECTION II - WHO IS AN INSURED** is amended to include as an additional insured any person or organization whom you have agreed in a written contract, written agreement or written permit that such person or organization be added as an additional insured on your policy. Such person or organization is an additional insured only with respect to liability for "bodily injury" or "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your ongoing operations, "your product", or premises owned or used by you; however this provision does not include any architects, engineers, or surveyors with respect to any injury or damage arising out of the rendering or failure to render any professional services by or for you, including:

a. The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; and

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b. Supervisory, inspection, architectural or engineering activities.

2. Your maintenance, operation or use of equipment, other than aircraft, "auto" or watercraft, rented or leased to you by such person or organization. A person or organization's status as an additional insured under this endorsement ends when their contract, or agreement with you for such rented or leased equipment ends. With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after the rental agreement or equipment lease expires.

The provisions of this coverage extension do not apply unless the written contract or written agreement has been executed (executed means signed by the named insured) or written permit issued prior to the "bodily injury" or "property damage" or "personal and advertising injury".

Broad Form Vendors Coverage

Subject to the **Primary and Non-Contributory** provision set forth in this endorsement, **SECTION II - WHO IS AN INSURED** is amended to include as an additional insured any person or organization (referred to below as vendor) whom you have agreed in a written contract or written agreement to add as an additional insured on your policy. Such person or organization is an additional insured only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business, however the insurance afforded the vendor does not apply to:

a. "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement; however this exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;

b. Any express warranty unauthorized by you;

c. Any physical or chemical change in the product made intentionally by the vendor;

d. Repackaging, unless unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;

e. Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business in connection with the sale of the product; or

f. Products which, after distribution or sale by you, have been labeled or re-labeled or used as a container, part of ingredient of any other thing or substance by or for the vendor; however this insurance does not apply to any insured person or organization, from who you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

The provisions of this coverage extension do not apply unless the written contract or written agreement has been executed (executed means signed by the named insured) prior to the "bodily injury" or "property damage".

Incidental Malpractice

Subparagraph **2.a.(1)(d)** under **SECTION II - WHO IS AN INSURED** is deleted in its entirety and replaced with the following:

(d) Arising out of his or her providing or failing to provide professional health care services. This does not apply to nurses, emergency medical technicians or paramedics. if you are not in the business or occupation of providing any such professional services.

"Golfing Facilities" - Golf or Tennis Pros

The following is added to **SECTION II - WHO IS AN INSURED:**

If you operate a "golfing facility", any golf or tennis pros are additional insureds. Golf or tennis pros means any person, other than your "employees", whose primary responsibilities include golf or tennis instruction or operation of a golf or tennis pro shop, however only with respect to their liability for your activities, or activities they perform on your behalf, or their liability for the maintenance, use or operation of golf or tennis pro shop premises you rent or lease to them.

SECTION III - LIMITS OF INSURANCE

Increased Medical Payments

Paragraph **7.** under **SECTION III - LIMITS OF INSURANCE** is deleted in its entirety and replaced with the following:

7. Subject to Paragraph **5.** above, the Medical Expense Limit under **COVERAGE C** will be $15,000, or the amount shown in the Declarations for Medical Expense Limit, whichever is higher, for all medical expenses because of "bodily injury" sustained by any one person.

This provision, **Increased Medical Payments,** does not apply if **COVERAGE C MEDICAL PAYMENTS** is excluded by another endorsement to this Coverage Part.

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SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS - Amendments

Knowledge Of Occurrence, Claim, Suit Or Loss

The following is added to Paragraph **2. Duties In the Event of Occurrence, Offense, Claim or Suit** under **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS:**

The requirements under this paragraph do not apply until after the "occurrence" or offense is known to:

1. You, if you are an individual;
2. A partner, if you are a partnership;
3. An "executive officer" or insurance manager, if you are a corporation;
4. Your members, managers or insurance manager, if you are a limited liability company; or
5. Your elected or appointed officials, trustees, board members, or your insurance manager if you are an organization other than a partnership, joint venture, or limited liability company.

Primary and Non-Contributory Provision

The following is added to Paragraph **4. Other Insurance, b. Excess Insurance** under **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS:**

This insurance shall be excess with respect to any person or organization included as an additional insured under this policy, any other insurance that person or organization has shall be primary with respect to this insurance, unless:

(1) The additional insured is a Named Insured under such other insurance;

(2) You have agreed in a written contract, written agreement or written permit to include that additional insured on your General Liability policy on a primary and/or non-contributory basis; and

(3) The written contract or written agreement has been executed (executed means signed by the named insured) or written permit issued prior to the "bodily injury" or "property damage" or "personal and advertising injury".

Unintentional Failure To Disclose Hazards

The following is added to Paragraph **6. Representations** under **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS:**

However, if you should unintentionally fail to disclose any existing hazards in your representations to us at the inception date of the policy, or during the policy period in connection with any additional hazards, we shall not deny coverage under this Coverage Part based upon such failure to disclose hazards.

Waiver Of Transfer Of Rights Of Recovery

The following is added to Paragraph **8. Transfer of Rights Of Recovery Against Others To Us** under **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS:**

We will waive any right of recovery we may have against a person or organization because of payments we make for "bodily injury" or "property damage" arising out of your ongoing operations or "your work" done under a written contract or written agreement and included in the "products-completed operations hazard", if:

1. You have agreed to waive any right of recovery against that person or organization in a written contract or written agreement;
2. Such person or organization is an additional insured on your policy; or
3. You have assumed the liability of that person or organization in that same contract, and it is an "insured contract".

The section above only applies to that person or organization identified above, and only if the "bodily injury" or "property damage" occurs subsequent to the execution of the written contract or written agreement.

If you are a "golfing facility", we will also waive any right of recovery we may have against any of your members or their guests because of payments we make for "bodily injury" or "property damage" arising out of their actions at your premises to which this Coverage Part applies. However, this provision does not apply to "bodily injury" or "property damage" that is expected or intended by your member or their guest.

Liberalization

The following condition is added to **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS:**

If we revise this Coverage Part to provide more coverage without additional premium charge, subject to our filed company rules, your policy will automatically provide the additional coverage as of the day the revision is effective in your state.

SECTION V - DEFINITIONS

Discrimination And Humiliation

(This provision does not apply in New York).

A. The following is added to Definition **14.** "Personal and advertising injury":

"Personal and advertising injury" also means "discrimination" or humiliation that results in injury to the feelings or reputation of a natural person, however only if such "discrimination" or humiliation is:

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1. Not done by or at the direction of:
   a. The insured; or
   b. Any "executive officer" director, stockholder, partner, manager or member of the insured;
2. Not done intentionally to cause harm to another person.
3. Not directly or indirectly related to the employment, prospective employment or termination of employment of any person or persons by any insured.
4. Not arising out of any "advertisement" by the insured.

B. The following definition is added to **SECTION V - DEFINITIONS:**

"Discrimination" means:

a. Any act or conduct that would be considered discrimination under any applicable federal, state, or local statute, ordinance or law;
b. Any act or conduct that results in disparate treatment of, or has disparate impact on, a person, because of that person's race, religion, gender, sexual orientation, age, disability or physical impairment; or
c. Any act or conduct characterized or interpreted as discrimination by a person based on that person's race, religion, gender, sexual orientation, age, disability or physical impairment.

Electronic Data

The following definition is added to **SECTION V - DEFINITIONS:**

"Electronic data" means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), hard or floppy disks, CD-ROMS, tapes, drives, cell, data processing devices or any other media which are used with electronically controlled equipment.

For the purpose of the Electronic Data Liability coverage provided by this endorsement, Definition **17.** "Property damage" is deleted in its entirety and replaced by the following:

17. "Property damage" means:

a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
b. Loss of, loss of use of, damage to, corruption of, inability to access, or inability to properly manipulate "electronic data", resulting from physical injury to tangible property. All such loss of "electronic data" shall be deemed to occur at the time of the "occurrence" that caused it.

For the purpose of the Electronic Data Liability coverage provided by this endorsement, "electronic data" is not tangible property.

Employee Amendment

Definition **5.** "Employee" under **SECTION V - DEFINITIONS** is deleted in its entirety and replaced by the following:

5. "Employee" includes a "leased worker", or a "temporary worker".

Golfing Facility

The following definition is added to **SECTION V - DEFINITIONS:**

"Golfing facility" or "golfing facilities" means a golf course, golf club, driving range, or miniature golf course.

Mental Anguish Amendment

(This provision does not apply in New York).

Definition **3.** "Bodily injury" under **SECTION V - DEFINITIONS** is deleted in its entirety and replaced with the following:

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time. This includes mental anguish resulting from any bodily injury, sickness or disease sustained by a person. (In New York, mental anguish has been determined to be "bodily injury").

Not-for-profit Member

The following definition is added to **SECTION V - DEFINITIONS:**

"Not-for-profit member" means a person who is a member of a not-for-profit organization, including clubs and churches, who receive no financial or other compensation.

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ADDITIONAL INSURED — OWNERS, LESSEES OR CONTRACTORS — COMPLETED OPERATIONS — AUTOMATIC STATUS WHEN REQUIRED IN CONSTRUCTION AGREEMENT WITH YOU

COMMERCIAL GENERAL LIABILITY
CG 79 21 01 10

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. **SECTION II — WHO IS AN INSURED** is amended to include as an additional insured any person or organization whom you have agreed in a written contract or written agreement to add as an additional insured on your policy. Such person or organization is an additional insured only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" performed for that additional insured and included in the "products-completed operations hazard".

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

"Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:

(1) The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or

(2) Supervisory, inspection, architectural or engineering activities.

This coverage shall be excess with respect to the person or organization included as an additional insured by its provisions; any other valid and collectible insurance that person or organization has shall be primary with respect to this insurance, unless this coverage is required to be primary and/or not contributory in the contract or agreement referred to above.

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ELITEPAC
COMMERCIAL AUTOMOBILE EXTENSION

COMMERCIAL AUTO
CA 77 35NY 03 12

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This Supplemental Schedule is provided when the BUSINESS AUTO COVERAGE FORM includes the Commercial Automobile Extension endorsement **CA 77 35NY.** This Schedule supplements the Business Auto Declarations.

EXTENSIONS OF COVERAGE AND ADDITIONAL COVERAGES

DESCRIPTION	
Limited Liability Companies	Coverage Extension
Newly Acquired Or Formed Organizations	Coverage Extension
Employees - Non-Ownership	Coverage Extension
Non-Ownership Extension - Public Entities	Coverage Extension
Blanket Additional Insureds	Coverage Extension
Expenses For Bail Bonds And Loss Of Earnings	
Bail Bonds	$3,000 Limit of Insurance
Loss Of Earnings	$1,000 Per Day Limit of Insurance
Employer's Liability Amendment	Coverage Extension
Fellow Employee Amendment	Coverage Extension
Care, Custody Or Control Amendment	Coverage Extension
Towing And Labor	Coverage Extension
Glass Breakage	Coverage Extension
Hired Car Physical Damage Coverage	Coverage Extension
Auto Loan/Lease Gap Coverage - (Loan/Lease Gap Not Available in New York)	Coverage Extension
Personal Effects	$500 Limit of Insurance
Deductible Reimbursement - Public Entities	Coverage Extension
Additional Transportation Expenses	$60 per day up to a maximum $1,800 Limit of Insurance
Airbag Coverage	Coverage Extension
Expanded Audio, Visual, And Data Electronic Equipment	Coverage Extension

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DESCRIPTION	
Limit Of Insurance	Coverage Extension
Physical Damage Deductible - (Radio Frequency) Vehicle Tracking System	Coverage Extension
Limit Of Insurance	Coverage Extension
Multiple Deductibles	Coverage Extension
Duties In The Event Of Accident, Claim, Suit Or Loss	Coverage Extension
Waiver Of Subrogation	Coverage Extension
Concealment, Misrepresentation Or Fraud	Coverage Extension
Policy Period, Coverage Territory	Coverage Extension
Two Or More Coverage Forms Or Policies Issued By Us	Coverage Extension
Mental Anguish - (Not Applicable In New York)	Definition
Permanently Attached Equipment	Definition
Volunteer Worker	Definition

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ELITEPAC
COMMERCIAL AUTOMOBILE EXTENSION

COMMERCIAL AUTO
CA 77 35NY 03 12

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies the insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Business Auto Coverage Form apply unless modified by the endorsement.

Amendments to **SECTION II — LIABILITY COVERAGE**

Limited Liability Companies

The following is added to **SECTION II, A. 1. — Who Is An Insured:**

d. If you are a limited liability company, you are an Insured for any covered "auto." The provisions of **WHO IS AN INSURED** applicable to anyone else using a covered "auto" you own, hire or borrow, also apply to limited liability companies. Your members and managers are also "insureds" while using a covered "auto" you don't own, hire or borrow during the course of their duties for you. But, members or managers are not an insured for any covered "autos" owned by them or members of their household.

Newly Acquired Or Formed Organizations

The following is added to **SECTION II, A. 1. — Who Is An Insured:**

e. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no similar insurance available to that organization. However:

1. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
2. Coverage does not apply to "bodily injury" or "property damage" resulting from an "accident" that occurred before you acquired or formed the organization.

No person or organization is an "insured" with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

Employees - Non-Ownership

The following is added to **SECTION II, A. 1. — Who Is An Insured:**

f. Any employee of yours is an "insured" while using a covered "auto" you don't own, hire or borrow in your business or your personal affairs.

Non-Ownership Extension - Public Entities

The following is added to **SECTION II, A. 1. — Who Is An Insured:**

g. Any board member or other elected or appointed official, member of the administrative staff, student teacher or other authorized volunteer or member is an "insured" while using a covered "auto" you don't own, hire or borrow during the course of their duties for you as a School, Municipality or other Governmental Entity, or Emergency Services Organization. Anyone who supplies that "auto" is also an "insured."

Blanket Additional Insureds

The following is added to **SECTION II, A. 1. — Who Is An Insured:**

h. Any person or organization with whom you agreed, because of a written contract, agreement or permit, to provide insurance such as is afforded under this Coverage Part, but only with respect to your ownership, maintenance or use of a covered "auto." This provision only applies if the written contract or agreement has been executed or permit issued prior to the "bodily injury" or "property damage."

This coverage shall be primary and not contributory with respect to the person or organization included as an "insured" under this section. Any other insurance that person or organization has shall be excess and not contributory with respect to this insurance, but this provision only applies if it is required in the written contract, agreement or permit identified in this section, and is permitted by law.

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Expenses For Bail Bonds And Loss Of Earnings

The following modifies **SECTION II, A. 2. a. — Supplementary Payments:**

Paragraphs **(2)** and **(4)** of **SECTION II, A. 2. a. — Supplementary Payments** are deleted in their entirety and replaced with the following:

(2) We will pay up to the Limit of Insurance shown on the Commercial Automobile Extension Supplemental Schedule for the cost of bail bonds (including bonds for related traffic law violations) required because of an "accident" we cover. We do not have to furnish these bonds.

(4) We will pay up to the Limit of Insurance shown on the Commercial Automobile Extension Supplemental Schedule all reasonable expenses incurred by the "insured" at our request, including actual loss of earnings because of time off from work.

Employer's Liability Amendment

The following is added to **SECTION II, B. 4. — Exclusions:**

c. This exclusion also does not apply to any "volunteer worker."

For Fire Companies, Ambulance Squads and Rescue Squads, the Employee Indemnification and Employer's Liability exclusion does not apply if the "bodily injury" results from the use of a covered "auto" you own, hire or borrow. But, this coverage extension is only provided to:

1. Members of the "insured" Fire Company, Ambulance or Rescue Squad, while such member is operating within the scope of their official duties, with respect to claims made or suits brought against such member for injuries to a fellow member of the "insured" organization, or for injuries to members of other Fire Companies, Ambulance Squads or Rescue Squads; and
2. The "insured" organization with respect to claims made or suits brought against the "insured" organization for injuries to members of other Fire Companies, Ambulance Squads or Rescue Squads.

Fellow Employee Amendment

The following is added to **SECTION II, B. 5. — Exclusions:**

For "insureds" Other Than Fire Companies, Ambulance Squads and Rescue Squads, the **Fellow Employee** exclusion does not apply if the "bodily injury" results from the use of a covered "auto" you own or hire.

For Fire Companies, Ambulance Squads and Rescue Squads, the **Fellow Employee** exclusion does not apply if the "bodily injury" results from the use of a covered "auto" you own, hire or borrow. But, this coverage extension is only provided to:

1. Members of the "insured" Fire Company, Ambulance or Rescue Squad, while such member is operating within the scope of their official duties, with respect to claims made or suits brought against such member for injuries to a fellow member of the "insured" organization, or for injuries to members of other Fire Companies, Ambulance Squads or Rescue Squads; and
2. The "insured" organization with respect to claims made or suits brought against the "insured" organization for injuries to members of other Fire Companies, Ambulance Squads or Rescue Squads.

Care, Custody Or Control Amendment

The following is added to **SECTION II, B. 6. — Exclusions:**

The Care, Custody Or Control exclusion does not apply to property not owned by any insured, subject to the following:

1. The most we will pay under this exception for any one accident is $1,000; and
2. A deductible of $500 per accident applies to this exception.

Amendments to **SECTION III — PHYSICAL DAMAGE COVERAGE**

Towing And Labor

The following modifies **SECTION III, A. 2. — Towing**

SECTION III, A. 2. — Towing is deleted and replaced with the following:

We will pay all reasonable towing and labor costs up to $75 each time a covered Private Passenger Type Vehicle, Social Service Van, Social Service Bus or Light Truck is disabled and up to $150 per disablement for Medium Weight Trucks. For labor charges to be reimbursable however, the labor must be performed at the place of disablement.

Glass Breakage

The following is added to **SECTION III, A. 3. — Glass Breakage — Hitting A Bird Or Animal — Falling Objects:**

d. If damage to glass is repaired in lieu of being replaced, no deductible will apply for repair only.

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Hired Car Physical Damage Coverage

The following is added to **SECTION III — PHYSICAL DAMAGE COVERAGE**, Paragraph **A. 4. Coverage Extensions:**

c. If Comprehensive, Specified Causes of Loss or Collision coverage is provided by this policy, you may extend that coverage to apply to Physical Damage "loss" to hired "autos." We will provide coverage equal to the broadest coverage available to any covered "auto" shown in the Declarations. But, the most we will pay for "loss" to a hired "auto" in any one "accident" is the lesser of:

1. $75,000; or
2. The actual cash value of the damaged or stolen property as of the time of the "loss"; or
3. The actual cost of repairing or replacing the damaged or stolen property with other property of like kind or quality. A part is of like kind and quality when it is of equal or better condition than the pre-accident part. We will use the original equipment from the manufacturer when:
   (a) The operational safety of the vehicle might otherwise be impaired;
   (b) Reasonable and diligent efforts to locate the appropriate rebuilt, aftermarket or used part have been unsuccessful;
   (c) A new original equipment part of like kind and quality is available and will result in the lowest overall repair cost;
   (d) For vehicles insured under policies written on or before December 31, 2003, the vehicle has been used no more than 15,000 miles unless the pre-accident condition warrants otherwise; or
   (e) For vehicles insured under policies written on or after January 1, 2004, the vehicle has been used no more than 20,000 miles unless the pre-accident condition warrants otherwise.

For each hired "auto" our obligation to pay "loss" will be reduced by a deductible equal to the highest deductible applicable to any owned "auto" for that coverage. No deductible will be applied to "loss" caused by fire or lightning. We will also pay up to $750 per "accident" for loss of use of the hired "auto" if it results from an "accident" for which you are legally liable. The lessor must suffer an actual financial "loss" for this coverage to apply.

Hired Car Physical Damage Coverage provided by this extension is excess over any other collectible insurance.

Auto Loan/Lease Gap Coverage - (Loan/Lease Gap Not Available in New York)

The following is added to **SECTION III, A. 4. — Coverage Extensions:**

d. If a long-term leased or financed "auto" is a covered "auto" for the Physical Damage Coverage applicable to a total "loss," and the lessor or financial institution is an additional insured under this Coverage Part, we will pay the difference between amounts you owe under the lease terms or loan terms and the amount of insurance paid the lessor or financial institution for the total "loss" of the covered "auto" minus: any payments overdue at the time of the loss; any financial penalties imposed due to wear and tear, high mileage or similar charges; any security deposits not refunded by the lessor or financial institution; any costs for credit life, health and accident, or disability insurance; any costs for extended warranties; or any carry-over balances from previous leases or loans. You are responsible for the deductible applicable to the "loss" for the covered "auto."

Personal Effects

The following is added to of **SECTION III, A. 4. — Coverage Extensions:**

e. If Comprehensive Coverage is provided on this coverage form for a covered "auto" you own and that covered "auto" is stolen, we will pay up to the Limit of Insurance shown on the Commercial Automobile Extension Supplemental Schedule, without application of a deductible, for personal effects that are stolen with that covered "auto." Personal effects do not include jewelry, tools, money or securities. This coverage is excess over any other collectible insurance.

The Following is added to **SECTION III, A. 4. — Coverage Extensions:**

f. If you are a Board of Education, Municipality or other Governmental Entity, or Volunteer Emergency Services Organization, we will pay up to $1,000 or the amount of the deductible under any auto policy available to your volunteer or employee, whichever is less, for any "loss" described in this section to any "auto" owned or used by a volunteer or employee while en route to and during any official duty authorized by you. In no event will we pay for any "loss" under this Coverage to any "auto" owned, hired, or borrowed by your organization.

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Additional Transportation Expenses

The following modifies **SECTION III, A. 4. a. — Transportation Expenses**

SECTION III, A. 4. a. — Transportation Expenses is deleted in its entirety and replaced with the following:

a. We will pay up to the Maximum Limit of Insurance shown on the Commercial Automobile Extension Supplemental Schedule for temporary transportation expense incurred by you because of any "losses" to covered "autos," but only if the covered "autos" carry the coverages and meet the requirements described in **1.** or **2.** below:

1. We will pay the above temporary transportation expense for total theft of a covered "auto" if you carry either Comprehensive or Specified Causes of Loss Coverage. We will only pay for such expenses incurred during the period beginning 24 hours after the theft and ending, regardless of the policy's expiration, when the covered "auto" is returned to use or we pay for its "loss."
2. For "loss" other than the total theft to a covered "auto" under Comprehensive Coverage or Specified Causes of Loss Coverage, or for any "loss" under Collision Coverage to a covered "auto," we will only pay for those expenses incurred during the policy period beginning 24 hours after the "loss" and ending, regardless of the policy's expiration, with the lesser of the number of days reasonably required to repair or replace the covered "auto," or 30 days. This provision **2.** of this Extension does not apply while there are spare or reserve "autos" available to you for your operations.

Airbag Coverage

The following is added to **SECTION III, B. 3. a. — Exclusions:**

However, this exclusion relating to mechanical breakdown does not apply to the accidental discharge of an airbag.

Expanded Audio, Visual, And Data Electronic Equipment

SECTION III, B. 4. — Exclusions does not apply to the following:

1. Global Positioning Systems; and
2. Equipment designed solely for the reproduction of sound and/or video, and accessories used with such equipment, provided such equipment is:
   a. Permanently installed in the covered "auto" at the time of the loss;
   b. Removable from a housing unit which is permanently installed in the covered "auto" at the time of the "loss";
   c. Designed to be solely operated by use of the power from the "auto's" electrical system; or
   d. Designed to be solely to be used in or upon the covered "auto."

   A minimum deductible of $50.00 will apply to each "loss".

LIMIT OF INSURANCE

THE FOLLOWING MODIFIES SECTION III, C. — LIMITS OF INSURANCE

SECTION III, C. — LIMITS OF INSURANCE is deleted in its entirety and replaced with the following:

The most we will pay for a "loss" in any one "accident" is the lesser of:

1. The actual cash value of the damaged or stolen property as of the time of the "loss"; or
2. The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality; or
3. If you are a Municipality or other Governmental Entity, or an Emergency Services Organization:
   a. The cost to replace the entire covered "auto" and its "permanently attached equipment", for covered "autos" designated in the schedule as being insured on either a stated amount or value guard basis as of the time of the "loss," with a comparable new "auto" and "permanently attached equipment" manufactured to current standards set by nationally recognized organizations such as, but not limited to, NFPA or the US Department of Transportation; but, the most we will pay under this paragraph for owned or leased "autos" you acquire after the policy begins and not described in the declarations is the least of items **1.**, **2.**, or **3.a.** of this section; or
   b. (This provision does not apply in New York.) The additional repair or replacement costs necessary to customize the damaged covered "auto" with permanently installed equipment of like kind and quality, without deduction for depreciation, if the "auto" is specifically outfitted for use by chiefs, captains, police, administrators and others in comparable positions and is scheduled, but the "auto" is not designated on the schedule as being insured on an agreed-value basis. We will also pay under this provision for the cost of installation onto a replacement "auto" if the covered "auto" is not repairable, and we will pay for property owned by "you" that is permanently installed in an "auto" not owned by you.

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Physical Damage Deductible - (Radio Frequency) Vehicle Tracking System

The following is added to **SECTION III, D. — Deductible:**

Any Comprehensive Coverage Deductible shown in the Declarations will be reduced by 50% to no less than $50.00 for any "loss" caused by theft if the vehicle is equipped with a radio frequency tracking device and that device was the method of recovery of the vehicle.

Amendments To **SECTION IV — BUSINESS AUTOMOBILE CONDITIONS**

Multiple Deductibles

The following is added to **SECTION IV, A. — Loss Conditions:**

6. If a Comprehensive, Collision or Specified Causes of Loss Coverage "loss" from one "accident" involves two or more "covered autos," only the highest deductible applicable to those coverages will be applied to the "accident," if the cause of the loss is covered for those vehicles. This provision only applies if you carry Comprehensive, Collision or Specified Causes of Loss Coverage for those vehicles, and does not extend coverage to any "covered autos" for which you do not carry such coverage.

Duties In The Event Of Accident, Claim, Suit Or Loss

The following is added to **SECTION IV, A. 2. a. — Duties In The Event Of Accident, Claim, Suit Or Loss:**

The notice requirements for reporting "accident," claim, "suit" or "loss" information to us, including provisions related to the subsequent investigation of such, "accident", claim, "suit" or "loss" do not apply until the "accident", claim, "suit" or "loss" is known to:

1. You, if you are an individual;
2. A partner, if you are a partnership;
3. An executive officer or insurance manager, if you are a corporation;
4. Your members, managers or insurance manager, if you are a limited liability company;
5. Your elected or appointed officials, trustees, board members, or your insurance manager, if you are an organization other than a partnership, joint venture, or limited liability company.

But, this section does not amend the provisions relating to notification of police, protection or examination of the property which was subject to the "loss".

Waiver Of Subrogation

The following modifies **SECTION IV, A. 5. — Transfer Of Rights Of Recovery Against Us To Others:**

SECTION IV, A. 5. — Transfer Of Rights Of Recovery Against Us To Others is deleted in its entirety and replaced with the following:

We waive any right of recovery we may have against any person or organization because of payments we make for "bodily injury" or "property damage" arising out of a covered "auto" only when you have assumed liability for such "bodily injury" or "property damage" under "insured contract." In all other respects, if a person or organization to or from whom we make payment under this Coverage Form has rights to recover damages from another, those rights are transferred to us.

Concealment, Misrepresentation Or Fraud

The following is added to **SECTION IV, B. 2. — Concealment, Misrepresentation Or Fraud:**

e. If you should unintentionally fail to disclose any existing hazards in your representations to us at the inception date of the policy, or during the policy period in connection with any additional hazards, we shall not deny coverage under this Coverage Part based upon such failure.

Policy Period, Coverage Territory

The following modifies **SECTION IV, B. 7. — General Conditions:**

SECTION IV, B. 7. — Policy Period, Coverage Territory is modified as follows:

The definition of coverage territory is amended to include anywhere in the world for covered "autos" hired on a short term (30 days or less) basis. The "insured's" responsibility to pay damages must be determined in a "suit" brought in:

1. The United States of America;
2. The territories or possessions of the United States of America;
3. Puerto Rico; or
4. Canada; or

in a settlement we agree to.

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The following modifies **SECTION IV, B. 8. — General Conditions:**

SECTION IV, B. 8. — Two Or More Coverage Forms Or Policies Issued By Us — Deductibles is deleted in its entirety and replaced with the following:

8. Two Or More Coverage Forms Or Policies Issued By Us

If a "loss" covered under this Coverage Part also involves a "loss" to other property from the same "accident," which is covered under a Commercial Property or Inland Marine Coverage Part issued by us or any member company of ours for you, only the highest deductible applicable to those coverages will be applied to the "accident".

A minimum deductible of $50.00 for Comprehensive and $100 for Collision will apply to each "loss".

Amendments to **SECTION V — DEFINITIONS**

The following is added to **SECTION V — DEFINITIONS:**

Q. Mental Anguish

(This provision does not apply in New York.) For jurisdictions other than New York, the definition of "bodily injury" is amended to include mental anguish resulting from any bodily injury, sickness or disease sustained by a person. (In New York, mental anguish has been determined to be "bodily injury.")

R. Permanently Attached Equipment

"Permanently attached equipment" means equipment that is welded, bolted, or permanently screwed to the dashboard, fire wall or body of the "auto". Equipment inserted on permanently installed side brackets with or without the use of setscrews or tension, or portable fire fighting and/or rescue related equipment, shall not be construed as "permanently attached equipment".

S. Volunteer Worker

"Volunteer worker" is a person who performs business duties for you, for no financial or other compensation.

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Issued by The Stock Insurance Company

Policy Number
S 2126754

SELECTIVE WAY INSURANCE COMPANY
WANTAGE AVENUE, BRANCHVILLE, NJ 07890

COMMERCIAL POLICY COMMON DECLARATION

Named Insured and Address	Policy Period
COUNTY OF ERIE STATE OF NEW YORK 95 FRANKLIN ST BUFFALO, NY 14202-3925	From: AUGUST 5, 2014 To: AUGUST 5, 2015 12:01 A.M Standard Time At Location of Designated Premises.
Named Insured is: CORPORATION	**Producer Number:** 00-11725-00000

Producer:
NIAGARA NATIONAL INC
NEW YORK

Schedule of Coverage

OWNERS & CONTR PROTECTIVE LIAB COVERAGE

PREMIUM INCLUDES TERRORISM COVERAGE $9.00

In return for payment of the premium, and subject to all the terms of this policy, we agree with you to provide the insurance indicated in the schedule above. Insurance is provided only for those coverages for which a specific limit is shown on the attached coverage declaration(s).

PAYMENT METHOD
REG - 1

Total Policy Premium $452.00
(This premium may be subject to adjustment.)

Date Issued: AUGUST 5, 2014
Issuing Office: NORTHEAST REGION

Authorized Representative President

IL-7025 (11/89)

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Policy Number
S 2126754

SCHEDULE OF LOCATIONS

Policy Effective Date: AUGUST 5, 2014	Schedule Effective Date: AUGUST 5, 2014

Prem. No.	Location	Bldg. No.	Occupancy and Construction
1	1000 WEHRLE DR BUFFALO, NY 14221	1	CLARENCE RESEAR

Policy Number
S 2126754

COMMERCIAL POLICY FORMS AND ENDORSEMENT SCHEDULE

Policy Effective Date: AUGUST 5, 2014	Schedule Effective Date AUGUST 5, 2014

THE FOLLOWING FORMS AND ENDORSEMENTS ARE APPLICABLE TO THE COMMON COVERAGE PART:

IL 70 25	1189	COMMERCIAL POLICY COMMON DECLARATION
IL 70 36NY	0795	SCHEDULE OF LOCATIONS

THE FOLLOWING FORMS AND ENDORSEMENTS ARE APPLICABLE TO THE OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVG PART:

CG 79 05	0395	OCP DECLARATION
CG 00 09	1207	OWNERS & CONTR PROT LIAB COVERAGE FORM
CG 01 05	0497	NEW YORK CHANGES-PREMIUM AUDIT
CG 01 63	0711	NY CHANGES COMML LIAB COVERAGE FORM
CG 21 39A	1093	CONTRACTUAL LIABILITY LIMITATION
CG 21 70	0108	CAP ON LOSSES FROM CERT ACTS OF TERROR
CG 26 04	0711	NY CHANGES OWNERS AND CONTRACTORS LIAB
CG 26 36	1293	NY CHANGES- TRANSFER OF DUTIES-OWNERS
CG 28 67	0114	NEW YORK CHANGES-CANCELLATION&NONRENEWAL
CG 29 51	1207	EMPLOYMENT-RELATED PRACTICES EXCLUSION
CG 31 66	1204	EXCL-EXT INSULATION AND FINISH SYSTEMS
CG 72 40	1199	EXCLUSION - SNOW AND ICE REMOVAL
IL 00 23	0702	NUCLEAR ENERGY LIABILITY
IL 89 55	0899	ASBESTOS EXCLUSION

NOTICE TO POLICYHOLDER: All the forms and endorsements contained in this policy as of the "Schedule Effective Date" are listed above. Forms and endorsements added to the policy after this date will appear on a "Policy Changes" endorsement. Please read your policy and all "Policy Changes" carefully.

NOTE: All applicable **"IL"** endorsements will be attached in the Common Section of the policy.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT
(Broad Form)

IL 00 23 07 02

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY NEW YORK DEPARTMENT OF TRANSPORTATION

1. The insurance does not apply:

   A. Under any Liability Coverage, to "bodily injury" or "property damage":

      (1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or

      (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which **(a)** any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or **(b)** the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

   B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.

   C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:

      (1) The "nuclear material" **(a)** is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or **(b)** has been discharged or dispersed therefrom;

      (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or

      (3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion **(3)** applies only to "property damage" to such "nuclear facility" and any property thereat.

2. As used in this endorsement:

   "Hazardous properties" includes radioactive, toxic or explosive properties.

   "Nuclear material" means "source material", "Special nuclear material" or "by-product material".

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"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material **(a)** containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and **(b)** resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

(a) Any "nuclear reactor";

(b) Any equipment or device designed or used for **(1)** separating the isotopes of uranium or plutonium, **(2)** processing or utilizing "spent fuel", or **(3)** handling, processing or packaging "waste";

(c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

(d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

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ASBESTOS EXCLUSION

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY
CAUSES OF LOSS — BASIC FORM
CAUSES OF LOSS — BROAD FORM
CAUSES OF LOSS — SPECIAL FORM
COMMERCIAL GENERAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
PRODUCT/COMPLETED OPERATIONS LIABILITY COVERAGE PART

1. It is agreed that this insurance does not apply to any loss or damage relating to the actual, alleged, or threatened presence of, or exposure to, "asbestos," including inhalation, ingestion, irritation, absorption or other similar physical exposure to "asbestos." Such presence of, or exposure to, "asbestos" includes, but is not limited to:

   a. structures or manufacturing processes containing "asbestos";

   b. the disposal of "asbestos" or goods, products or materials containing "asbestos";

   c. the storing or presence of "asbestos" or goods, products or materials containing "asbestos"; or

   d. the removal of "asbestos" from any goods, products, materials, structures or manufacturing processes,

   whether or not such "asbestos" is airborne.

2. We shall have no obligation under this coverage part:

   a. to investigate, settle or defend any claim or "suit" against any "insured" alleging actual or threatened injury or damage of any nature or kind to persons or property which arises out of or would not have occurred but for the presence of, or exposure to, "asbestos"; or

   b. to pay any damages, judgments, settlements, losses, costs or expenses of any kind or nature that may be awarded or incurred by reason of any such claim or suit or any such actual or threatened injury or damage from "asbestos"; or

   c. for any losses, costs or expenses arising out of any obligation, order, direction or request of or upon any insured or others, including, but not limited to, any governmental obligation, order, direction or request, to test for, monitor, clean up, remove, contain, treat, neutralize, in any way respond to, or assess the effects of "asbestos."

3. "Asbestos" includes asbestos, asbestos fibers, asbestos materials, and asbestos products, or any goods or products containing asbestos or asbestos fibers, materials, or products.

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Previous Policy Number	Policy Number
NEW	S 2126754

OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE DECLARATIONS

Policy Effective Date: AUGUST 5, 2014	Coverage Effective Date: AUGUST 5, 2014
Business of Named Insured	

Insurance is provided only for those coverages for which a specific limit is shown in the following coverage schedule

Coverage Limits

Aggregate Limit $2,000,000
Each occurrence Limit $1,000,000

Designation of Contractor : NFP & SONS INC

Mailing Address: 7311 WARD RD
N TONAWANDA, NY 14120

Coverage Schedule

Classification	Class Code	Premium Basis		Rates	Advanced Premium
TERRORISM					$9.00
CONSTRUCTION OPER CONTRACTOR (T-008)	16291	453,300	(C)	.978	$443.00

Minimum Premium $226.00 **Total Premium** $452.00

Premium and Rate Legend

(C) Total Cost - rate per $1000 of cost

Location of covered operations

Refer to "**Schedule of Locations**"

Forms and Endorsements:

Refer to "**Commercial Policy Forms and Endorsement Schedule**"

Total Advance Premium

$452.00

(This premium may be subject to adjustment)

CG-7905(03/95)

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OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM — COVERAGE FOR OPERATIONS OF DESIGNATED CONTRACTOR

Various provisions of this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section **II** — Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section **V** — Definitions.

SECTION I — COVERAGES

BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

(1) The amount we will pay for damages is limited as described in Section **III** — Limits Of Insurance; and

(2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

b. This insurance applies to "bodily injury" and "property damage" only if:

(1) The "bodily injury" or "property damage" is caused by an "occurrence" and arises out of:

(a) Operations performed for you by the "contractor" at the location specified in the Declarations; or

(b) Your acts or omissions in connection with the general supervision of such operations;

(2) The "bodily injury" or "property damage" occurs during the policy period; and

(3) Prior to the policy period, no insured listed under Paragraph **1.** of Section **II** — Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph **1.** of Section **II** — Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph **1.** of Section **II** — Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

(1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;

(2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or

(3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

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e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

2. Exclusions

This insurance does not apply to:

a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

(1) That the insured would have in the absence of the contract or agreement; or

(2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:

(a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and

(b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Work Completed Or Put To Intended Use

"Bodily injury" or "property damage" which occurs after the earlier of the following times:

(1) When all "work" on the project (other than service, maintenance or repairs) to be performed for you by the "contractor" at the site of the covered operations has been completed; or

(2) When that portion of the "contractor's" "work", out of which the injury or damage arises, has been put to its intended use by any person or organization, other than another contractor or subcontractor working directly or indirectly for the "contractor" or as part of the same project.

d. Acts Or Omissions By You And Your Employees

"Bodily injury" or "property damage" arising out of your, or your "employees", acts or omissions other than general supervision of "work" performed for you by the "contractor".

e. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

f. Employer's Liability

"Bodily injury" to:

(1) An "employee" of the insured arising out of and in the course of:

(a) Employment by the insured; or

(b) Performing duties related to the conduct of the insured's business; or

(2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph **(1)** above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

g. Damage To Property

"Property damage" to:

(1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;

(2) Property loaned to you;

(3) Personal property in the care, custody or control of the insured; or

(4) "Work" performed for you by the "contractor".

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h. War

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

(1) War, including undeclared or civil war;

(2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

(3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

i. Mobile Equipment

"Bodily injury" or "property damage" arising out of the use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

j. Pollution

(1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

(a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:

(i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;

(ii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";

(b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;

(c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:

(i) Any insured; or

(ii) Any person or organization for whom you may be legally responsible; or

(d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:

(i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;

(ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by or on behalf of any insured; or

(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".

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(e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

(2) Any loss, cost or expense arising out of any:

(a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or

(b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

k. **Damage To Impaired Property Or Property Not Physically Injured**

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

(1) A defect, deficiency, inadequacy or dangerous condition in "work" performed for you by the "contractor"; or

(2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "work" performed for you by the "contractor".

l. **Electronic Data**

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

SUPPLEMENTARY PAYMENTS

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

a. All expenses we incur.

b. Up to $250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which this insurance applies. We do not have to furnish these bonds.

c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.

d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to $250 a day because of time off from work.

e. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.

f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.

g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

h. Expenses incurred by the insured for first aid administered to others at the time of an accident, for "bodily injury" to which this insurance applies.

These payments will not reduce the limits of insurance.

2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:

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a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";

b. This insurance applies to such liability assumed by the insured;

c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";

d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;

e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and

f. The indemnitee:

(1) Agrees in writing to:

(a) Cooperate with us in the investigation, settlement or defense of the "suit";

(b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";

(c) Notify any other insurer whose coverage is available to the indemnitee; and

(d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and

(2) Provides us with written authorization to:

(a) Obtain records and other information related to the "suit"; and

(b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph **2.b.(2)** of Section I — Coverages — Bodily Injury And Property Damage Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements or the conditions set forth above, or the terms of the agreement described in Paragraph **f.** above, are no longer met.

SECTION II — WHO IS AN INSURED

1. If you are designated in the Declarations as:

a. An individual, you and your spouse are insureds.

b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to their duties as partners or members of a joint venture.

c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to their duties as members of a limited liability company. Your managers are insureds, but only with respect to their duties as your managers.

d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

2. Each of the following is also an insured:

a. Any person (other than your "employee") or any organization while acting as your real estate manager.

b. Any person or organization having proper temporary custody of your property if you die, but only:

(1) With respect to liability arising out of the maintenance or use of that property; and

(2) Until your legal representative has been appointed.

c. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

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SECTION III — LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
   a. Insureds;
   b. Claims made or "suits" brought; or
   c. Persons or organizations making claims or bringing "suits".
2. The Aggregate Limit is the most we will pay for the sum of damages because of all "bodily injury" and "property damage".
3. Subject to Paragraph **2.** above, the Each Occurrence Limit is the most we will pay for the sum of damages because of all "bodily injury" and "property damage" arising out of any one "occurrence".

If you designate more than one project in the Declarations, the Aggregate Limit shall apply separately to each project.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV — CONDITIONS

1. **Bankruptcy**

   Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. **Cancellation**
   a. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
   b. We may cancel this policy by mailing or delivering to the first Named Insured and the "contractor" written notice of cancellation at least:
      (1) 10 days before the effective date of cancellation if we cancel for non-payment of premium; or
      (2) 30 days before the effective date of cancellation if we cancel for any other reason.
   c. We will mail or deliver our notices to the first Named Insured's and the "contractor's" last mailing address known to us.
   d. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
   e. If this policy is cancelled, we will send the "contractor" any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
   f. If notice is mailed, proof of mailing will be sufficient proof of notice.

3. **Changes**

   This policy contains all the agreements between you, the "contractor" and us concerning the insurance afforded. The first Named Insured shown in the Declarations and the "contractor" are authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

4. **Duties In The Event Of Occurrence, Claim Or Suit**
   a. You must see to it that we are notified as soon as practicable of an "occurrence" which may result in a claim. To the extent possible, notice should include:
      (1) How, when and where the "occurrence" took place;
      (2) The names and addresses of any injured persons and witnesses; and
      (3) The nature and location of any injury or damage arising out of the "occurrence".
   b. If a claim is made or "suit" is brought against any insured, you must:
      (1) Immediately record the specifics of the claim or "suit" and the date received; and
      (2) Notify us as soon as practicable.

      You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
   c. You and any other involved insured must:
      (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
      (2) Authorize us to obtain records and other information;
      (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and

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(4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

5. **Examination Of Your Books And Records**

We may examine and audit your books and records as well as the "contractor's" books and records as they relate to this policy at any time during the policy period and up to three years afterward.

6. **Inspections And Surveys**

a. We have the right to:

(1) Make inspections and surveys at any time;

(2) Give you reports on the conditions we find; and

(3) Recommend changes.

b. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

(1) Are safe or healthful; or

(2) Comply with laws, regulations, codes or standards.

c. Paragraphs **a.** and **b.** of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

d. Paragraph **b.** of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

7. **Legal Action Against Us**

No person or organization has a right under this Coverage Part:

a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or

b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

8. **Other Insurance**

The insurance afforded by this Coverage Part is primary insurance and we will not seek contribution from any other insurance available to you unless the other insurance is provided by a contractor other than the designated "contractor" for the same operation and job location designated in the Declarations. Then we will share with that other insurance by the method described below.

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

9. **Premiums**

The "contractor":

a. Is responsible for the payment of all premiums; and

b. Will be the payee for any return premiums we pay.

10. **Premium Audit**

a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.

b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the "contractor". The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the "contractor".

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c. The "contractor" must keep records of the information we need for premium computation, and send us copies at such times as we may request.

11. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

a. As if each Named Insured were the only Named Insured; and

b. Separately to each insured against whom claim is made or "suit" is brought.

12. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

13. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

SECTION V — DEFINITIONS

1. "Auto" means:
   a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
   b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.

   However, "auto" does not include "mobile equipment".
2. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
3. "Contractor" means the contractor designated in the Declarations.
4. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
5. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
6. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
7. "Impaired property" means tangible property, other than work performed for you, that cannot be used or is less useful because:
   a. It incorporates work performed for you that is known or thought to be defective, deficient, inadequate or dangerous; or
   b. You have failed to fulfill the terms of a contract or agreement;

   if such property can be restored to use by the repair, replacement, adjustment or removal of the work performed for you or your fulfilling the terms of the contract or agreement.
8. "Insured contract" means:
   a. A lease of premises;
   b. A sidetrack agreement;
   c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
   d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality; or
   e. An elevator maintenance agreement.
9. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
10. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
    a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
    b. Vehicles maintained for use solely on or next to premises you own or rent;
    c. Vehicles that travel on crawler treads;
    d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
       (1) Power cranes, shovels, loaders, diggers or drills; or

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(2) Road construction or resurfacing equipment such as graders, scrapers or rollers;

e. Vehicles not described in Paragraph **a.**, **b.**, **c.** or **d.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

(1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or

(2) Cherry pickers and similar devices used to raise or lower workers;

f. Vehicles not described in Paragraph **a.**, **b.**, **c.** or **d.** above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

(1) Equipment designed primarily for:

(a) Snow removal;

(b) Road maintenance, but not construction or resurfacing; or

(c) Street cleaning;

(2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

(3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

11. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

12. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

13. "Property damage" means:

a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from, computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

14. "Suit" means a civil proceeding, brought in the United States of America (including its territories and possessions), Puerto Rico or Canada, in which damages because of "bodily injury" or "property damage" to which this insurance applies are alleged. "Suit" includes:

a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or

b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

15. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

16. "Work" includes materials, parts or equipment furnished in connection with the operations.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

OWNERS AND CONTRACTORS PROTECTIVE LIABILITY POLICY
SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY

A. Paragraph **b.** of the PREMIUM AUDIT Condition (Section **IV** — Conditions) is replaced by the following:

10. Premium Audit

b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. An audit to determine the final premium due or to be refunded will be completed within 180 days after the expiration date of the policy. But the audit may be waived if the total annual premium attributable to the auditable exposure base is not reasonably expected to exceed $1500. Audit premiums are due and payable on notice to the "contractor". If the sum of the advance and audit premiums paid for the policy term is greater than the earned premium, we will return the excess to the "contractor".

B. Except as provided in paragraph **A.** above, the EXAMINATION OF YOUR BOOKS AND RECORDS Condition (Section **IV** — Conditions) continues to apply.

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NEW YORK CHANGES
COMMERCIAL GENERAL LIABILITY COVERAGE FORM

COMMERCIAL GENERAL LIABILITY
CG 01 63 07 11

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. Paragraph **1. Insuring Agreement** of Section **I — Coverage A Bodily Injury And Property Damage Liability** is replaced by the following:

1. Insuring Agreement

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages even if the allegations of the "suit" are groundless, false or fraudulent. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

(1) The amount we will pay for damages is limited as described in Section **III** — Limits Of Insurance; and

(2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages **A** or **B** or medical expenses under Coverage **C.**

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments - Coverages **A** and **B.**

b. This insurance applies to "bodily injury" and "property damage" only if:

(1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";

(2) The "bodily injury" or "property damage" occurs during the policy period; and

(3) Prior to the policy period, no insured listed under Paragraph **1.** of Section **II** — Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph **1.** of Section **II** — Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph **1.** of Section **II** — Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

(1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;

(2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or

(3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

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e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

B. Paragraph **1.a.** of Section **I — Coverage B Personal And Advertising Injury Liability** is replaced by the following:

1. Insuring Agreement

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages even if the allegations of the "suit" are groundless, false or fraudulent. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:

(1) The amount we will pay for damages is limited as described in Section **III** — Limits Of Insurance; and

(2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages **A** and **B** or medical expenses under Coverage **C.**

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments - Coverages **A** and **B.**

C. The following is added as Paragraph **e.** to the **Duties In The Event Of Occurrence, Offense, Claim Or Suit** Condition (Paragraph **2.** of **Section IV — Commercial General Liability Conditions**):

e. Notice given by or on behalf of the insured, or written notice by or on behalf of the injured person or any other claimant, to any agent of ours in New York State, with particulars sufficient to identify the insured, shall be considered to be notice to us.

D. Paragraph **3.** of Section **IV — Commercial General Liability Conditions** is replaced by the following:

3. Legal Action Against Us

a. Except as provided in Paragraph **b.,** no person or organization has a right under this Coverage Part:

(1) To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or

(2) To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

b. With respect to "bodily injury" and "personal and advertising injury" claims, if we deny coverage or do not admit liability because an insured or the injured person, someone acting for the injured person or other claimant fails to give us written notice as soon as practicable, then the injured person, someone acting for the injured person or other claimant may bring an action against us, provided the sole question is whether the denial of coverage or nonadmission of liability is based on the failure to provide timely notice.

However, the injured person, someone acting for the injured person or other claimant may not bring an action if within 60 days after we deny coverage or do not admit liability, we or an insured:

(1) Brings an action to declare the rights of the parties under the policy; and

(2) Names the injured person, someone acting for the injured person or other claimant as a party to the action.

E. The following provision is added and supersedes any provision to the contrary:

Failure to give notice to us as required under this Coverage Part shall not invalidate any claim made by the insured, injured person or any other claimant, unless the failure to provide such timely notice has prejudiced us. However, no claim made by the insured, injured person or other claimant will be invalidated if it shall be shown not to have been reasonably possible to give such timely notice and that notice was given as soon as was reasonably possible thereafter.

F. The definition of "loading or unloading" in the **Definitions** Section does not apply.

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CONTRACTUAL LIABILITY LIMITATION

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

The definition of "insured contract" in the DEFINITIONS Section is replaced by the following:

"Insured Contract" means:

a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";

b. A sidetrack agreement;

c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;

d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;

e. An elevator maintenance agreement.

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CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

COMMERCIAL GENERAL LIABILITY
CG 21 70 01 08

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed $100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds $100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of $5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

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NEW YORK CHANGES — OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM

COMMERCIAL GENERAL LIABILITY
CG 26 04 07 11

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART

A. Paragraph **1. Insuring Agreement** of **Section I — Coverages** is replaced by the following:

1. Insuring Agreement

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages even if the allegations of the "suit" are groundless, false or fraudulent. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

(1) The amount we will pay for damages is limited as described in Section **III** — Limits Of Insurance; and

(2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

b. This insurance applies to "bodily injury" and "property damage" only if:

(1) The "bodily injury" or "property damage" is caused by an "occurrence" and arises out of:

(a) Operations performed for you by the "contractor" at the location specified in the Declarations; or

(b) Your acts or omissions in connection with the general supervision of such operations;

(2) The "bodily injury" or "property damage" occurs during the policy period; and

(3) Prior to the policy period, no insured listed under Paragraph **1.** of Section **II** — Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph **1.** of Section **II** — Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph **1.** of Section **II** — Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

(1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;

(2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or

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(3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

B. The following is added as Paragraph **e.** to **Duties In The Event Of Occurrence, Claim Or Suit** under Paragraph **4.** of **Section IV — Conditions:**

e. Notice given by or on behalf of the insured, or written notice by or on behalf of the injured person or any other claimant, to any agent of ours in New York State, with particulars sufficient to identify the insured, shall be considered to be notice to us.

C. Paragraph **6. Inspections And Surveys** of **Section IV — Conditions** is replaced by the following:

6. Inspections And Surveys

a. We have the right to:

(1) Make inspections and surveys at any time;

(2) Give you reports on the conditions we find; and

(3) Recommend changes.

b. We are not obligated to make inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

(1) Are safe or healthful; or

(2) Comply with laws, regulations, codes or standards.

c. Paragraphs **a.** and **b.** of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

d. Paragraph **b.** of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

D. Paragraph **7. Legal Action Against Us** of **Section IV — Conditions** is replaced by the following:

7. Legal Action Against Us

a. Except as provided in Paragraph **b.**, no person or organization has a right under this Coverage Part:

(1) To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or

(2) To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

b. With respect to "bodily injury" and, if provided by endorsement, "personal injury" claims, if we deny coverage or do not admit liability because an insured or the injured person, someone acting for the injured person or other claimant fails to give us written notice as soon as practicable, then the injured person, someone acting for the injured person or other claimant may bring an action against us, provided the sole question is whether the denial of coverage or nonadmission of liability is based on the failure to provide timely notice.

However, the injured person, someone acting for the injured person or other claimant may not bring an action if within 60 days after we deny coverage or do not admit liability, we or an insured:

(1) Brings an action to declare the rights of the parties under the policy; and

(2) Names the injured person, someone acting for the injured person or other claimant as a party to the action.

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E. The following provision is added and supersedes any provision to the contrary:

Failure to give notice to us as required under this Coverage Part shall not invalidate any claim made by the insured, injured person or any other claimant, unless the failure to provide such timely notice has prejudiced us. However, no claim made by the insured, injured person or other claimant will be invalidated if it shall be shown not to have been reasonably possible to give such timely notice and that notice was given as soon as was reasonably possible thereafter.

F. When **CG 28 07,** Principals Protective Liability Coverage endorsement, is attached to an Owners And Contractors Protective Liability Coverage Form, the definition of "loading and unloading" in Paragraph **D.2.** of that endorsement does not apply.

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NEW YORK CHANGES — TRANSFER OF DUTIES WHEN A LIMIT OF INSURANCE IS USED UP

COMMERCIAL GENERAL LIABILITY
CG 26 36 12 93

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
SPECIAL PROTECTIVE AND HIGHWAY LIABILITY COVERAGE FORM

The following Condition is added to CONDITIONS (Section IV):

Transfer of Duties When a Limit of Insurance Is Used Up.

a. If we conclude that, based on "occurrences", claims or "suits" which have been reported to us and to which this insurance may apply, the Aggregate Limit or the Each Occurrence Limit is likely to be used up in the payment of judgments or settlements, we will notify the first Named Insured, in writing, to that effect.

b. When a limit of insurance described in paragraph a. above has actually been used up in the payment of judgments or settlements:

(1) We will notify the first Named Insured, in writing, as soon as practicable, that:

(a) Such a limit has actually been used up; and

(b) Our duty to defend "suits" seeking damages subject to that limit has also ended.

(2) We will initiate, and cooperate in, the transfer of control, to any appropriate insured, of all claims and "suits" seeking damages which are subject to that limit and which are reported to us before that limit is used up. That insured must cooperate in the transfer of control of said claims and "suits".

We agree to take such steps, as we deem appropriate, to avoid a default in, or continue the defense of, such "suits" until such transfer is completed, provided the appropriate insured is cooperating in completing such transfer.

We will take no action whatsoever with respect to any claim or "suit" seeking damages that would have been subject to that limit, had it not been used up, if the claim or "suit" is reported to us after that limit of insurance has been used up.

(3) The first Named Insured, and any other insured involved in a "suit" seeking damages subject to that limit, must arrange for the defense of such "suit" within such time period as agreed to between the appropriate insured and us. Absent any such agreement, arrangements for the defense of such "suit" must be made as soon as practicable.

c. The first Named Insured will reimburse us for expenses we incur in taking those steps we deem appropriate in accordance with paragraph b.(2) above .

The duty of the first Named Insured to reimburse us will begin on:

(1) The date on which the applicable limit of insurance is used up, if we sent notice in accordance with paragraph a. above; or

(2) The date on which we sent notice in accordance with paragraph b.(1) above, if we did not send notice in accordance with paragraph a. above.

d. The exhaustion of any limit of insurance by the payments of judgments or settlements, and the resulting end of our duty to defend, will not be affected by our failure to comply with any of the provisions of this Condition.

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NEW YORK CHANGES — CANCELLATION AND NONRENEWAL

COMMERCIAL GENERAL LIABILITY
CG 28 67 01 14

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY

A. Paragraphs **a.**, **b.**, **c.** and **e.** of the **Cancellation** Condition are replaced by the following:

a. The first Named Insured shown in the Declarations may cancel this entire policy by mailing or delivering to us advance written notice of cancellation.

b. Cancellation Of Policies In Effect:

(1) 60 Days Or Less

We may cancel this policy by mailing or delivering to the first Named Insured and the "contractor" written notice of cancellation at least:

(a) 30 days before the effective date of cancellation if we cancel for any reason not included in Paragraph **A.b.(2)** below.

(b) 15 days before the effective date of cancellation if we cancel for any of the reasons included in Paragraph **A.b.(2)** below.

(2) For More Than 60 Days

If this policy has been in effect for more than 60 days, or if this policy is a renewal or continuation of a policy we issued, we may cancel this policy only for any of the reasons listed below, provided we mail the first Named Insured and the "contractor" written notice at least 15 days before the effective date of cancellation:

(a) Nonpayment of premium, provided, however, that a notice of cancellation on this ground shall inform the first Named Insured and the "contractor" of the amount due;

(b) Conviction of a crime arising out of acts increasing the hazard insured against;

(c) Discovery of fraud or material misrepresentation in the obtaining of the policy or in the presentation of a claim thereunder;

(d) After issuance of the policy or after the last renewal date, discovery of an act or omission, or a violation of any policy condition, that substantially and materially increases the hazard insured against, and which occurred subsequent to inception of the current policy period;

(e) Material change in the nature or extent of the risk, occurring after issuance or last annual renewal anniversary date of the policy, which causes the risk of loss to be substantially and materially increased beyond that contemplated at the time the policy was issued or last renewed;

(f) Required pursuant to a determination by the Superintendent that continuation of our present premium volume would jeopardize our solvency or be hazardous to the interest of our policyholders, our creditors or the public; or

(g) A determination by the Superintendent that the continuation of the policy would violate, or would place us in violation of, any provision of the Insurance Code.

c. We will mail or deliver our notice including the reason to the first Named Insured and the "contractor" at the respective addresses shown in the policy and the authorized agent or broker.

e. If this policy is cancelled, we will send the "contractor" any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata.

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However, when the premium is advanced under a premium finance agreement, the cancellation refund will be pro rata. Under such financed policies, we will be entitled to retain a minimum earned premium of 10% of the total policy premium or $60, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.

B. The following is added to the **Cancellation** Condition:

If one of the reasons for cancellation in Paragraph **A.b.(2)** exists, we may cancel this entire policy, even if the reason for cancellation pertains only to a new coverage or endorsement initially effective subsequent to the original issuance of this policy.

C. The following Conditions are added and supersede any other provisions to the contrary:

1. Nonrenewal

If we decide not to renew this policy, we will send notice as provided in Paragraph **C.3.** below.

2. Conditional Renewal

If we condition renewal of this policy upon:

a. A change of limits;

b. A change in type of coverage;

c. A reduction of coverage;

d. An increased deductible;

e. An addition of exclusion;

f. Increased premiums in excess of 10%, exclusive of any premium increase due to and commensurate with insured value added or increased exposure units; or as a result of experience rating, loss rating, retrospective rating or audit;

we will send notice as provided in Paragraph **C.3.** below.

3. Notices Of Nonrenewal And Conditional Renewal

a. If we decide not to renew this policy or to conditionally renew this policy as provided in Paragraphs **C.1.** and **C.2.** above, we will mail or deliver written notice to the first Named Insured shown in the Declarations and the "contractor" at least 60 but not more than 120 days before:

(1) The expiration date; or

(2) The anniversary date if this is a continuous policy.

b. Notice, including the specific reason(s) for nonrenewal or conditional renewal, the amount of any premium increase (for conditional renewal) and a description of any other changes, will be mailed or delivered to the first Named Insured and the "contractor" at the respective addresses shown in the policy and the authorized agent or broker. If notice is mailed, proof of mailing will be sufficient proof of notice.

c. We will not send you notice of non-renewal or conditional renewal if you, your authorized agent or broker or another insurer of yours mails or delivers notice that the policy has been replaced or is no longer desired.

d. If we send the first Named Insured or the "contractor" an incomplete or late conditional renewal notice or a late nonrenewal notice:

(1) As provided for in Paragraph **C.3.** above, and if notice is provided prior to the expiration date of this policy, coverage will remain in effect at the same terms and conditions of this policy at the lower of the current rates or the prior period's rates until 60 days after such notice is mailed or delivered, unless the first Named Insured, during this 60-day period, has replaced the coverage or elects to cancel sooner;

(2) And if the notice is provided on or after the expiration date of this policy, coverage will remain in effect at the same terms and conditions of this policy for another required policy period at the lower of the current rates or the prior period's rates, unless the first Named Insured, during this additional required policy period, has replaced the coverage or elects to cancel sooner.

e. If you elect to renew on the basis of a late conditional renewal notice, the terms, conditions and rates set forth in such notice shall apply:

(1) Upon expiration of the 60-day period unless Subparagraph **(2)** below applies; or

(2) Notwithstanding the provisions in Paragraphs **d.(1)** and **d.(2)**, as of the renewal date of the policy if the conditional renewal notice was sent at least 30 days prior to the expiration or anniversary date of the policy.

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f. The aggregate limits of this policy as shown in the Declarations will be increased in proportion to any policy extension provided in accordance with Paragraph **C.3.d.** above.

g. The last sentence of Limits of Insurance does not apply when the policy period is extended because we sent the first Named Insured or the "contractor" an incomplete or late conditional renewal notice or a late nonrenewal notice.

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EMPLOYMENT — RELATED PRACTICES EXCLUSION

COMMERCIAL GENERAL LIABILITY
CG 29 51 12 07

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART

The following exclusion is added to Paragraph **2., Exclusions** of **Coverages — Bodily Injury And Property Damage Liability (Section I — Coverages):**

This insurance does not apply to:

"Bodily injury" to:

(1) A person arising out of any:

(a) Refusal to employ that person;

(b) Termination of that person's employment; or

(c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or

(2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraphs **(a), (b)** or **(c)** above is directed.

This exclusion applies:

(1) Whether the injury-causing event described in Paragraphs **(a), (b)** or **(c)** above occurs before employment, during employment or after employment of that person;

(2) Whether the insured may be liable as an employer or in any other capacity; and

(3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

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EXCLUSION — EXTERIOR INSULATION AND FINISH SYSTEMS

COMMERCIAL GENERAL LIABILITY
CG 31 66 12 04

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART

A. This insurance does not apply to "bodily injury" or "property damage" arising out of, caused by, or attributable to, whether in whole or in part, the following:

1. The design, manufacture, construction, fabrication, preparation, distribution and sale, installation, application, maintenance or repair, including remodeling, service, correction or replacement, of any "exterior insulation and finish system" or any part thereof, or any substantially similar system or any part thereof, including the application or use of conditioners, primers, accessories, flashings, coatings, caulking or sealants in connection with such a system.

B. The following definition is added to **Section V — Definitions:**

"Exterior insulation and finish system" means a non-load bearing exterior cladding or finish system, and all component parts therein, used on any part of any structure, and consisting of:

1. A rigid or semi-rigid insulation board made of expanded polystyrene and other materials;
2. The adhesive and/or mechanical fasteners used to attach the insulation board to the substrate;
3. A reinforced or unreinforced base coat;
4. A finish coat providing surface texture to which color may be added; and
5. Any flashing, caulking or sealant used with the system for any purpose.

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EXCLUSION — SNOW AND ICE REMOVAL

COMMERCIAL GENERAL LIABILITY
CG 72 40 11 99

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The above coverage is hereby amended as follows:

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of snow and ice removal activities that are performed for others by the insured or by any contractors or subcontractors working on the insureds behalf. Snow and Ice Removal includes but is not limited to; snow plowing, snow blowing, snow or ice clearing, shoveling or salting, by any means whether mechanical or by hand.

We will provide the insurance described in this policy in return for the premium and compliance with all applicable provisions of this policy

Secretary

Chairman

Misc-1597 (10/06)

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Facts Regarding Premium Audits

To Our Policyholder:

Your policy has been issued with an estimated premium. At the expiration of the policy, either a company representative (Premium Auditor) will contact you or you will receive a written request for information. In either case, the information you provide will be used to determine the final premium under the policy. **Please note that only those policies containing one or more class codes that are rated on an auditable premium basis (such as payroll, receipts/sales, total cost or admissions), are subject to a premium audit.**

Insurance Costs can be minimized by proper record keeping. Frequently exposures can be assigned to lower rated classifications provided this information is obtainable using **your records.** During the final audit, the Premium Auditor will work with you towards this goal of helping you to minimize your insurance costs.

For Businesses Other Than Contractors:

1. The basis of premium used to determine your policy premium may be payroll, receipts or sales, total cost or admissions. These are defined as follows:

   A. Payroll:

   The total remuneration for services rendered by an employee includes (a) lodging,(b) bonuses, (c) commissions, (d) vacation, holiday, & sick days, (e) standard overtime. Under the General Liability Coverage, payroll does not include (a) payroll of clerical employees (b) salesmen who are away from the premises (c) drivers. Remuneration *excludes* tips.

   B. Receipts/Sales:

   The gross amount of money charged for goods or products sold, operations performed, rentals, and dues or fees.

   C. Total cost

   Total cost of all work let or sublet in connection with each specific project including (a) cost of all labor materials & equipment (b) all fees, bonuses & commissions.

   D. Admissions:

   The total number of persons, other than employees, admitted to the event insured or to events conducted on the premises whether on paid admissions, tickets, complimentary tickets or passes.

2. In the event commissions or monies are paid to persons you consider to be independent contractors, i.e., Real Estate Salesmen, Insurance Salesmen, Restaurant and/or Nite Club Entertainers, Taxi-Cab operators and others in this category, **please inform your agent immediately.**

3. If you are an Executive Officer and covered under the policy, there may be a payroll or salary limitation. There also is a minimum amount to be charged should you not draw a salary, or draw less than this minimum.

Considerations For Contractors

1. Most Workers~ Compensation Laws provide that the General or Principal Contractor shall be responsible for the workers~ compensation insurance to employees of sub-contractors, except for any subcontractors who have insured their compensation obligation and have furnished to the contractor satisfactory evidence of such insurance. Satisfactory evidence is a {Certificate of Insurance} with dates corresponding to the time worked for the contractor. These should be retained to show the Premium Auditor.

2. The manual rules permit division of payroll for each separate and distinct operation provided separate records of payroll are maintained and the division is not contrary to classification restrictions.

   Note: This rule is very important since those operations which can be classified using this rule, can be used only when separate records of payroll are maintained. Without the proper record keeping, the highest rated classification applying to the job will be used.

3. General Liability-Drivers~ payroll is to be excluded in computing premiums for this coverage. For the purposes of this rule, Mobile Equipment Operators are not considered in this category, i.e., their payroll is included and assigned to the classification in which they are engaged.

4. Products and Completed Operations Coverage under General Liability-Mechanical Contractors, i.e., Air Conditioning, Heating, Plumbing and Refrigeration, can minimize their insurance premium costs by keeping separate records on the outright sale and/or cost of units and equipment (for plumbing-appliances and fixtures). Again, one can see the importance of record keeping

This flier provides only a general overview of premium audit procedures. It is not intended to describe specific coverages afforded by any insurance policy.

We recommend that you examine, in detail, any policy offered to you.

For more information, contact your local Selective agent.

IMPORTANT NOTICE

Asbestos Exclusion

This policy contains an exclusion which eliminates all coverage for any injuries or damages caused by or relating to asbestos (including asbestos fibers or asbestos products).

This exclusion applies to various insurance coverage parts which may form a part of your policy; refer to your policy for the application of the exclusion form titled: **"ASBESTOS EXCLUSION."**

NOTE: This notice does not provide or modify the coverage of this policy. This notice is for informational purposes only. Refer to your policy for the precise details of this coverage.

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IMPORTANT NOTICE

SNOW AND ICE REMOVAL EXCLUSION

This policy contains an exclusion, which eliminates all coverage for any injuries or damages caused by or relating to **Snow and Ice Removal activities performed for others.**

This exclusion applies to various insurance coverage parts, which may form a part of your policy; refer to your policy for the application of the exclusion form titled: **"SNOW AND ICE REMOVAL EXCLUSION".**

Note: This notice does not provide or modify the coverage of this policy. This notice is for informational purposes only. Refer to your policy for the precise details of this coverage.

NOTICE — OFFER OF TERRORISM COVERAGE

NOTICE — DISCLOSURE OF PREMIUM

You are hereby notified that under the Terrorism Risk Insurance Act, or its replacement, that you have a right to purchase coverage for losses resulting from losses from acts of Terrorism, as defined in Section 102(1) of the Act. The term "act of terrorism" means any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State, and the Attorney General of the United States, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States mission; and to have been committed by an individual or individuals, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

In accordance with the Terrorism Risk Insurance Act, we are required to offer you coverage for losses resulting from an act of terrorism **that is certified** under this federal program. The policy's other provisions will still apply to such an act. **You may accept or reject this offer. IF YOU CHOOSE TO ACCEPT THIS OFFER OF COVERAGE, NO ACTION IS NECESSARY ON YOUR PART. If, after careful consideration, you choose to reject this offer of terrorism coverage, you must contact your agent to obtain a terrorism coverage rejection form. Your rejection of this offer of coverage must be completed within the first thirty (30) days of the policy period.**

See the section of this Notice titled **DISCLOSURE OF PREMIUM.** Unless you choose to reject this offer of coverage, your premium will include the additional premium for terrorism as stated in such **DISCLOSURE.** However, the terrorism exclusion makes an exception for (and thereby provides coverage for) fire losses resulting from an act of terrorism. Therefore, if you reject the offer of terrorism coverage, that rejection does not apply to fire losses resulting from an act of terrorism — coverage for such fire losses is provided in your policy. The additional premium just for such fire coverage is stated in the **DISCLOSURE OF PREMIUM.**

DISCLOSURE OF FEDERAL PARTICIPATION IN PAYMENT OF TERRORISM LOSSES

You should know that coverage provided for certified acts of terrorism is partially reimbursed by the United States Government under a formula established by federal law. Under this formula, the United States Government will pay a share of terrorism losses insured under the federal program. The federal share equals 85% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed $100 billion in a Program Year (January 1 through December 31), the Treasury shall not make any payment for any portion of the amount of such losses that exceeds $100 billion. Coverage lines not subject to the federal participation are commercial auto, burglary and theft, surety, professional liability and farmowners.

CAP ON INSURER PARTICIPATION IN PAYMENT OF TERRORISM LOSSES

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed $100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds $100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

DISCLOSURE OF PREMIUM

YOUR POLICY INCLUDES TERRORISM COVERAGE FOR AN ADDITIONAL PREMIUM OF $ $9.00. IF YOU REJECT THE TERRORISM COVERAGE, AS NOTED ABOVE THE PREMIUM FOR TERRORISM (FIRE ONLY) COVERAGE IS $ $0.00.

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IMPORTANT NOTICE REGARDING AGENT COMPENSATION

We sell our insurance products and services through appointed independent insurance agencies and agents ("Agent" or "Agents"). Because Agents also generally represent several of our competitors, our primary marketing strategy is to:

- Develop close relationships with each Agent by (i) soliciting their feedback on products and services, (ii) advising them concerning company developments, and (iii) investing significant time with them professionally and socially; and

- Develop with each Agent, and then carefully monitor, annual goals regarding (i) types and mix of risks placed with us, (ii) amounts of premium or numbers of policies placed with us, (iii) customer service levels, and (iv) profitability of business placed with us.

We pay Agents commissions and other consideration for business placed with us (and we do not authorize our Agents to receive other monies for our insurance). We seek to compensate our Agents fairly and in a way consistent with market practices.

Our Agent compensation programs may include one or more of the following depending on the Agent's overall business relationship with us:

- **Commission Payments.** We pay commission based on a percentage of the premium the policyholder pays. The amount of commission varies depending on policy type, state location of risk, and other factors.

- **Additional Commission Payments.** We may pay additional and varying percentages of premium for attainment of certain goals we set with the Agent, including:

    - **Profitability,** which we determine by comparing losses and expenses to premium;

    - **Volume,** which is the amount of premium written with us;

    - **Growth and Retention,** which we measure by comparing premium volume or number of policies for overall or specific types of policies; or

    - **Annual Plan Performance,** which we measure according to performance standards determined by us and the Agent.

  In certain cases, an Agent may put additional commissions at risk and become obligated to pay us amounts if certain goals are not met.

- **Expense Reimbursement.** We may reimburse certain marketing and other expenses incurred for placing business with us.

- **Entertainment and Other Things of Value.** We may entertain or provide other things of value, including travel and gratuities, to Agents who we believe provide exceptional value to our policyholders and shareholders.

- **Business Production Incentive Programs.** We may provide Agents or their employees opportunities to receive additional compensation (cash or contest prizes) for certain activities or tasks, such as placing specific types of policies with us or inputting data through one of our technology systems.

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- **Loss Control Agreements.** We may pay Agents a flat fee or a percentage of commission for safety and loss control surveys, inspections, accident or claim investigations.

- **Agent Stock Purchase Plan.** Certain of our Agents participate in a stock purchase plan that allows those Agents to purchase common stock in Selective Insurance Group, Inc. at a 10% discount to market and requires those agents to hold the stock for at least one year before they can transfer it.

As supporters of the independent insurance agency distribution system, we may provide Agents from time-to-time with tools and programs designed to preserve and strengthen the independent agency distribution system, including assistance with producer recruitment and/or training, loans, or loan guarantees. These tools and programs, which may be experimental, are provided to assist our Agents in the perpetuation of robust independent insurance agencies and are not conditioned on the imposition of extraordinary current or future production conditions.

We also distribute our insurance products to a limited extent through select insurance brokers which we compensate with some of the same compensation tools we use for Agents. If you have engaged a broker to place insurance with us, please ask the broker if any of the above described compensation arrangements are in effect with us.

Please direct questions regarding specific compensation to your Agent.

IMPORTANT NOTICE

COMMERCIAL GENERAL LIABILITY COVERAGE CONTRACTUAL LIABILITY LIMITATION ADVISORY NOTICE TO POLICYHOLDERS

YOU SHOULD READ YOUR POLICY AND REVIEW YOUR DECLARATION PAGE FOR COMPLETE INFORMATION ON THE COVERAGES YOU ARE PROVIDED. IF THERE IS ANY CONFLICT BETWEEN THE POLICY AND THIS NOTICE, THE PROVISIONS OF THE POLICY SHALL PREVAIL.

If your General Liability policy includes form **CG 21 04 — Exclusion - Products-Completed Operations Hazard,** then form **CG 21 39 — Contractual Liability Limitation** has been added to your General Liability policy if it was not already included.

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Insurance is provided by the Company designated on the Declarations Page of this policy. The addresses of all Selective Insurance Companies are shown below:

Selective Insurance Company of America
40 Wantage Avenue
Branchville, NJ 07890

Selective Way Insurance Company
40 Wantage Avenue
Branchville, NJ 07890

Selective Insurance Company of South Carolina
11711 North Meridian Street
Carmel, IN 46032

Selective Insurance Company of New York
1500 Liberty Bank Building
Buffalo, NY 14202

Selective Insurance Company of the Southeast
11711 North Meridian Street
Carmel, IN 46032

Administrative Offices of all Selective Insurance Companies are located at:
40 Wantage Avenue
Branchville, NJ 07890

Your application or information you provide in connection with a claim is our major source of information. However, in order to evaluate your application for insurance, to service your policy or to process a claim, we may ask for additional information about you and any person who will be insured under this policy or who is the subject of the claim. This is sometimes necessary to make certain that the statements on your application are accurate or to process the claim. We may also need more details than you have already given us.

INFORMATION WE COLLECT

In connection with an application, the information that we may collect will enable us to make possible judgments about your character, habits, hobbies, finances, occupation, general reputation, health or other personal characteristics. In connection with a claim, the information we may collect will enable us to process the claim.

We may obtain this information from several sources. For example, we may contact any physician, clinic or hospital where any persons to be insured or making a claim have been treated. We may need information from your employer. But, before we ask for information from any of these sources, we will ask you to sign an authorization, which gives us permission to proceed, unless authorization is not required by law.

We may get information by talking or writing to other insurance companies to which you applied for a policy or with which you have made a claim, members of your family, neighbors, friends, your insurance agent and others who know you. We may also obtain information from motor vehicle reports, court records, or photographs of the property you want insured or with regard to which you have made a claim.

CONSUMER REPORTS

It is common for an insurance company to order a report from an independent organization — a consumer reporting agency or an insurance-support organization — to verify and add to the information that you have given us. These reports are used to help us decide if you qualify for the insurance for which you have applied or to evaluate the claim you have made.

They may:

_____ pertain to your mode of living, character, general reputation and personal characteristics such as health, job and finances.

_____ contain information on your marital status, driving records, etc.

_____ include information on the loss history of your property.

_____ include information gathered by talking or writing to you or members of your family, neighbors, friends, your insurance agent and others who know you.

_____ include information from motor vehicle reports, court records or photographs of your property and/or the property involved in the claim.

Upon your request, the consumer reporting agency or insurance-support organization will attempt to interview you in connection with any report it prepares. The information may be kept by the reporting organization and may later be given to others who use its services. It will be given only to the extent permitted by the Federal Fair Credit Reporting Act and your local state law, if any. Upon request and identification, the consumer reporting agency or insurance-support organization will provide you with a copy of the report.

DISCLOSURE OF INFORMATION

Information we collect about you will not be given to anyone without your consent, except when necessary to conduct our business. There are some disclosures which may be made without your prior authorization. These include:

_____ Persons or organizations who need the information to perform a professional, business or insurance function for us, such as businesses that assist us with data processing or marketing.

_____ Other insurance companies, agents, or consumer reporting agencies as it may be needed in connection with any application, policy or claim involving you.

_____ Adjusters, appraisers, investigators and attorneys who need the information to investigate or settle a claim involving you.

_____ An insurance-support organization which is established to collect information for the purpose of detecting and preventing insurance crimes or fraudulent claims.

_____ A medical professional or institution to verify your insurance coverage or inform you of a medical condition of which you may not be aware.

_____ Persons or organizations that conduct scientific research, including actuarial or underwriting studies.

_____ Persons or organizations that will use the information for sales purposes, unless you indicate in writing to us that you do not want the information disclosed for this purpose.

_____ Our affiliated companies for auditing our operations and for marketing an insurance product or service.

In addition, we may provide information to state insurance departments in connection with their regulatory authority and to other governmental or law enforcement authorities to protect our legal interests or in cases of suspected fraud or illegal activities.

YOUR INSURANCE POLICY FILES

Information we collect about you will be kept in our policy files. We may refer to this information if you file a claim for benefits under any policy you have with us or if you apply to us for a new policy. You have the right to know what kind of information we keep in our files about you, to have access to the information, and to receive a copy. There are some types of information; however, to which we are not required to give you access. This type of information is generally collected when we evaluate a claim or when the possibility of a lawsuit exists.

If you want information from your files, please contact us. There may be a nominal charge for copies of records. If you think your file contains incorrect information, notify us indicating what you believe is incorrect and your reasons. We will reinvestigate the matter and either correct our records or place a statement from you in our files explaining why you believe the information is incorrect. We will also notify persons or organizations to whom we previously disclosed the information of the change or your statement.

CONFIDENTIALITY AND SECURITY OF PERSONAL INFORMATION

We restrict access to personal information to those individuals who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with legal standards and ensure the confidentiality of personal information in accordance with our policy.

TREATMENT OF PERSONAL INFORMATION OF FORMER CUSTOMERS AND APPLICANTS

We adhere to this personal information privacy policy even when a customer relationship no longer exists. Disclosures about former applicants and customers may be made without prior authorization as permitted by law.

If you have any questions about our information practices, please contact us.

INSURED'S COPY

Issued by The Stock Insurance Company

Policy Number
S 2126796

SELECTIVE INSURANCE COMPANY OF AMERICA
40 WANTAGE AVE, BRANCHVILLE, NJ 07890

COMMERCIAL POLICY COMMON DECLARATION

Named Insured and Address	Policy Period
NFP & SONS INC 7311 WARD RD NORTH TONAWANDA, NY 14120-1473	From: AUGUST 15, 2014 To: AUGUST 15, 2015 12:01 A.M Standard Time At Location of Designated Premises.
Named Insured is: CORPORATION	**Producer Number:** 00-11725-00000

Producer:
NIAGARA NATIONAL INC
NEW YORK

Schedule of Coverage

COMMERCIAL INLAND MARINE COVERAGE

PREMIUM INCLUDES TERRORISM COVERAGE $13.00

In return for payment of the premium, and subject to all the terms of this policy, we agree with you to provide the insurance indicated in the schedule above. Insurance is provided only for those coverages for which a specific limit is shown on the attached coverage declaration(s).

PAYMENT METHOD
D/B - 1

Total Policy Premium $647.00
(This premium may be subject to adjustment.)

Date Issued: AUGUST 7, 2014
Issuing Office: NORTHEAST REGION

Authorized Representative President

IL-7025 (11/89)

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Policy Number
S 2126796

SCHEDULE OF LOCATIONS

Policy Effective Date: AUGUST 15, 2014	Schedule Effective Date: AUGUST 15, 2014

Prem. No.	Location	Bldg. No.	Occupancy and Construction
1	1000 WEHRLE DRIVE CLARENCE, NY 14031	1	JOB SITE

Policy Number
S 2126796

COMMERCIAL POLICY FORMS AND ENDORSEMENT SCHEDULE

Policy Effective Date: AUGUST 15, 2014	Schedule Effective Date AUGUST 15, 2014

THE FOLLOWING FORMS AND ENDORSEMENTS ARE APPLICABLE TO THE COMMON COVERAGE PART:

IL 70 25	1189	COMMERCIAL POLICY COMMON DECLARATION
IL 70 36NY	0795	SCHEDULE OF LOCATIONS

THE FOLLOWING FORMS AND ENDORSEMENTS ARE APPLICABLE TO THE COMMERCIAL INLAND MARINE COVERAGE PART:

CM 70 71	0794	COMMERCIAL INLAND MARINE DECLARATIONS
CM 71 04A	0792	BUILDERS RISK DECLARATIONS
CM 00 01	0695	COMMERCIAL INLAND MARINE CONDITIONS
CM 71 05NY	0713	BUILDERS RISK COVERAGE FORM
CM 72 00	0112	LIBERALIZATION
IL 00 17	1198	COMMON POLICY CONDITIONS
IL 01 83	0808	NEW YORK CHANGES-FRAUD
IL 02 68	0114	NY CHANGES-CANC & NONRENL
IL 09 52	0308	CAP ON LOSS FROM CERT ACTS OF TERRORISM
IL 89 53	1198	EXCL OF CERTAIN COMPUTER-RELATED LOSSES

NOTICE TO POLICYHOLDER: All the forms and endorsements contained in this policy as of the "Schedule Effective Date" are listed above. Forms and endorsements added to the policy after this date will appear on a "Policy Changes" endorsement. Please read your policy and all "Policy Changes" carefully.

NOTE: All applicable **"IL"** endorsements will be attached in the Common Section of the policy.

COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
   a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
   b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. Inspections And Surveys

1. We have the right to:
   a. Make inspections and surveys at any time;
   b. Give you reports on the conditions we find; and
   c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
   a. Are safe or healthful; or
   b. Comply with laws, regulations, codes or standards.
3. Paragraphs **1.** and **2.** of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph **2.** of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

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IL 01 83 08 08

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART - FARM PROPERTY - OTHER FARM PROVISIONS FORM - ADDITIONAL COVERAGES, CONDITIONS, DEFINITIONS
FARM COVERAGE PART - LIVESTOCK COVERAGE FORM
FARM COVERAGE PART - MOBILE AGRICULTURAL MACHINERY AND EQUIPMENT COVERAGE FORM

The **CONCEALMENT, MISREPRESENTATION OR FRAUD** Condition is replaced by the following:

FRAUD

We do not provide coverage for any insured ("insured") who has made fraudulent statements or engaged in fraudulent conduct in connection with any loss ("loss") or damage for which coverage is sought under this policy.

However, with respect to insurance provided under the COMMERCIAL AUTOMOBILE COVERAGE PART, we will provide coverage to such "insured" for damages sustained by any person who has not made fraudulent statements or engaged in fraudulent conduct if such damages are otherwise covered under the policy.

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NEW YORK CHANGES — CANCELLATION AND NONRENEWAL

IL 02 68 01 14

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

A. Paragraphs **1.**, **2.**, **3.** and **5.** of the **Cancellation** Common Policy Condition are replaced by the following:

1. The first Named Insured shown in the Declarations may cancel this entire policy by mailing or delivering to us advance written notice of cancellation.

2. Cancellation Of Policies In Effect

a. 60 Days Or Less

We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

(1) 30 days before the effective date of cancellation if we cancel for any reason not included in Paragraph **A.2.b.** below.

(2) 15 days before the effective date of cancellation if we cancel for any of the reasons included in Paragraph **A.2.b.** below.

b. For More Than 60 Days

If this policy has been in effect for more than 60 days, or if this policy is a renewal or continuation of a policy we issued, we may cancel only for any of the reasons listed below, provided we mail the first Named Insured written notice at least 15 days before the effective date of cancellation:

(1) Nonpayment of premium, provided however, that a notice of cancellation on this ground shall inform the first Named Insured of the amount due;

(2) Conviction of a crime arising out of acts increasing the hazard insured against;

(3) Discovery of fraud or material misrepresentation in the obtaining of the policy or in the presentation of a claim;

(4) After issuance of the policy or after the last renewal date, discovery of an act or omission, or a violation of any policy condition, that substantially and materially increases the hazard insured against, and which occurred subsequent to inception of the current policy period;

(5) Material physical change in the property insured, occurring after issuance or last annual renewal anniversary date of the policy, which results in the property becoming uninsurable in accordance with our objective, uniformly applied underwriting standards in effect at the time the policy was issued or last renewed; or material change in the nature or extent of the risk, occurring after issuance or last annual renewal anniversary date of the policy, which causes the risk of loss to be substantially and materially increased beyond that contemplated at the time the policy was issued or last renewed;

(6) Required pursuant to a determination by the Superintendent that continuation of our present premium volume would jeopardize our solvency or be hazardous to the interest of our policyholders, our creditors or the public;

(7) A determination by the Superintendent that the continuation of the policy would violate, or would place us in violation of, any provision of the Insurance Code; or

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(8) Where we have reason to believe, in good faith and with sufficient cause, that there is a probable risk of danger that the insured will destroy, or permit to be destroyed, the insured property for the purpose of collecting the insurance proceeds. If we cancel for this reason, you may make a written request to the Department of Financial Services, within 10 days of receipt of this notice, to review our cancellation decision. Also, we will simultaneously send a copy of this cancellation notice to the Department of Financial Services.

3. We will mail or deliver our notice, including the reason for cancellation, to the first Named Insured at the address shown in the policy and to the authorized agent or broker.

5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata.

   However, when the premium is advanced under a premium finance agreement, the cancellation refund will be pro rata. Under such financed policies, we will be entitled to retain a minimum earned premium of 10% of the total policy premium or $60, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.

B. The following is added to the **Cancellation** Common Policy Condition:

7. If one of the reasons for cancellation in Paragraph **A.2.b.** or **D.2.b.(2)** exists, we may cancel this entire policy, even if the reason for cancellation pertains only to a new coverage or endorsement initially effective subsequent to the original issuance of this policy.

C. The following conditions are added:

1. **Nonrenewal**

   If we decide not to renew this policy we will send notice as provided in Paragraph **C.3.** below.

2. **Conditional Renewal**

   If we conditionally renew this policy subject to:

   a. A change of limits;

   b. A change in type of coverage;

   c. A reduction of coverage;

   d. An increased deductible;

   e. An addition of exclusion; or

   f. Increased premiums in excess of 10%, exclusive of any premium increase due to and commensurate with insured value added or increased exposure units; or as a result of experience rating, loss rating, retrospective rating or audit;

   we will send notice as provided in Paragraph **C.3.** below.

3. **Notices Of Nonrenewal And Conditional Renewal**

   a. If we decide not to renew this policy or to conditionally renew this policy as provided in Paragraphs **C.1.** and **C.2.** above, we will mail or deliver written notice to the first Named Insured shown in the Declarations at least 60 but not more than 120 days before:

   (1) The expiration date; or

   (2) The anniversary date if this is a continuous policy.

   b. Notice will be mailed or delivered to the first Named Insured at the address shown in the policy and to the authorized agent or broker. If notice is mailed, proof of mailing will be sufficient proof of notice.

   c. Notice will include the specific reason(s) for nonrenewal or conditional renewal, including the amount of any premium increase for conditional renewal and description of any other changes.

   d. If we violate any of the provisions of Paragraph **C.3.a., b.** or **c.** above by sending the first Named Insured an incomplete or late conditional renewal notice or a late nonrenewal notice:

   (1) And if notice is provided prior to the expiration date of this policy, coverage will remain in effect at the same terms and conditions of this policy at the lower of the current rates or the prior period's rates until 60 days after such notice is mailed or delivered, unless the first Named Insured, during this 60-day period, has replaced the coverage or elects to cancel;

   (2) And if the notice is provided on or after the expiration date of this policy, coverage will remain in effect at the same terms and conditions of this policy for another policy period, at the lower of the current rates or the prior period's rates, unless the first Named Insured, during this additional policy period, has replaced the coverage or elects to cancel.

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e. If you elect to renew on the basis of a late conditional renewal notice, the terms, conditions and rates set forth in such notice shall apply:

(1) Upon expiration of the 60-day period, unless Subparagraph **(2)** below applies; or

(2) Notwithstanding the provisions in Paragraphs **d.(1)** and **d.(2)**, as of the renewal date of the policy if the conditional renewal notice was sent at least 30 days prior to the expiration or anniversary date of the policy.

f. We will not send you notice of nonrenewal or conditional renewal if you, your authorized agent or broker or another insurer of yours mails or delivers notice that the policy has been replaced or is no longer desired.

D. The following provisions apply when the Commercial Property Coverage Part, the Farm Coverage Part or the Capital Assets Program (Output Policy) Coverage Part is made a part of this policy:

1. Items **D.2.** and **D.3.** apply if this policy meets the following conditions:

   a. The policy is issued or issued for delivery in New York State covering property located in this state; and

   b. The policy insures:

      (1) For loss of or damage to structures, other than hotels or motels, used predominantly for residential purposes and consisting of no more than four dwelling units; or

      (2) For loss of or damage to personal property other than farm personal property or business property; or

      (3) Against damages arising from liability for loss of, damage to or injury to persons or property, except liability arising from business or farming; and

   c. The portion of the annual premium attributable to the property and contingencies described in **1.b.** exceeds the portion applicable to other property and contingencies.

2. Paragraph **2.** of the **Cancellation** Common Policy Condition is replaced by the following:

   2. Procedure And Reasons For Cancellation

   a. We may cancel this entire policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

      (1) 15 days before the effective date of cancellation if we cancel for nonpayment of premium, provided however, that a notice of cancellation on this ground shall inform the first Named Insured of the amount due; or

      (2) 30 days before the effective date of cancellation if we cancel for any other reason.

   b. But if this policy:

      (1) Has been in effect for more than 60 days; or

      (2) Is a renewal of a policy we issued;

      we may cancel this policy only for one or more of the following reasons:

      (1) Nonpayment of premium, provided however, that a notice of cancellation on this ground shall inform the first Named Insured of the amount due;

      (2) Conviction of a crime arising out of acts increasing the risk of loss;

      (3) Discovery of fraud or material misrepresentation in obtaining the policy or in making a claim;

      (4) Discovery of willful or reckless acts or omissions increasing the risk of loss;

      (5) Physical changes in the covered property that make that property uninsurable in accordance with our objective and uniformly applied underwriting standards in effect when we:

         (a) Issued the policy; or

         (b) Last voluntarily renewed the policy;

      (6) The Superintendent of Financial Services' determination that continuing the policy would violate Chapter 28 of the Insurance Law; or

      (7) Required pursuant to a determination by the Superintendent of Financial Services that the continuation of our present premium volume would be hazardous to the interests of our policyholders, our creditors or the public.

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3. The following are added:

   a. Conditional Continuation

   Instead of cancelling this policy, we may continue it on the condition that:

   (1) The policy limits be changed; or

   (2) Any coverage not required by law be eliminated.

   If this policy is conditionally continued, we will mail or deliver to the first Named Insured written notice at least 20 days before the effective date of the change or elimination. We will mail or deliver our notice to the first Named Insured's last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice. Delivery of the notice will be the same as mailing.

   b. Nonrenewal

   If, as allowed by the laws of New York State, we:

   (1) Do not renew this policy; or

   (2) Condition policy renewal upon:

   (a) Change of limits; or

   (b) Elimination of coverage;

   we will mail or deliver written notice of nonrenewal or conditional renewal:

   (a) At least 45 days; but

   (b) Not more than 60 days;

   before the expiration date of the policy. We will mail or deliver our notice to the first Named Insured's last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice. Delivery of the notice will be the same as mailing.

E. The following is added to the Farm Property - Other Farm Provisions Form - Additional Coverages, Conditions, Definitions, the Commercial Property Coverage Part and the Capital Assets Program (Output Policy) Coverage Part:

When the property is subject to the Anti-arson Application in accordance with New York Department of Financial Services' Insurance Regulation No. 96, the following provisions are added:

If you fail to return the completed, signed and affirmed anti-arson application to us:

1. Or our broker or agent within 45 days of the effective date of a new policy, we will cancel the entire policy by giving 20 days' written notice to you and to the mortgageholder shown in the Declarations.

2. Before the expiration date of any policy, we will cancel the policy by giving written notice to you and to the mortgageholder shown in the Declarations at least 15 days before the effective date of cancellation.

The cancellation provisions set forth in **E.1.** and **E.2.** above supersede any contrary provisions in this policy including this endorsement.

If the notice in **E.1.** or **E.2.** above is mailed, proof of mailing will be sufficient proof of notice. Delivery of the notice will be the same as mailing.

F. The following applies to the Commercial Property Coverage Part, the Farm Coverage Part and the Capital Assets Program (Output Policy) Coverage Part:

Paragraphs **f.** and **g.** of the **Mortgageholders** Condition are replaced by the following:

f. Cancellation

(1) If we cancel this policy, we will give written notice to the mortgageholder at least:

(a) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or

(b) 30 days before the effective date of cancellation if we cancel for any other reason.

(2) If you cancel this policy, we will give written notice to the mortgageholder. With respect to the mortgageholder's interest only, cancellation will become effective on the later of:

(a) The effective date of cancellation of the insured's coverage; or

(b) 10 days after we give notice to the mortgageholder.

g. Nonrenewal

(1) If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

(2) If you elect not to renew this policy, we will give written notice to the mortgageholder. With respect to the mortgageholder's interest only, nonrenewal will become effective on the later of:

(a) The expiration date of the policy; or

(b) 10 days after we give notice to the mortgageholder.

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G. The following provisions apply when the following are made a part of this policy:

Commercial General Liability Coverage Part

Employment-Related Practices Liability Coverage Part

Farm Liability Coverage Form

Liquor Liability Coverage Part

Products/Completed Operations Liability Coverage Part

1. The aggregate limits of this policy as shown in the Declarations will be increased in proportion to any policy extension provided in accordance with Paragraph **C.3.d.** above.

2. The last sentence of Limits Of Insurance does not apply when the policy period is extended because we sent the first Named Insured an incomplete or late conditional renewal notice or a late non-renewal notice.

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CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

IL 09 52 03 08

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
STANDARD PROPERTY POLICY

A. Cap On Certified Terrorism Losses

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of $5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed $100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds $100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

B. Application Of Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

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EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES

IL 89 53 11 98

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

SYSTEMS BREAKDOWN COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
COMMERCIAL CRIME COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY

A. We will not pay for loss ("loss") or damage caused directly or indirectly by the following. Such loss ("loss") or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss ("loss") or damage.

1. The failure, malfunction or inadequacy of:

a. Any of the following, whether belonging to any insured or to others:

(1) Computer hardware, including microprocessors;

(2) Computer application software;

(3) Computer operating systems and related software;

(4) Computer networks;

(5) Microprocessors (computer chips) not part of any computer system; or

(6) Any other computerized or electronic equipment or components; or

b. Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph **A.1.a.** of this endorsement;

due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.

2. Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph **A.1.** of this endorsement.

B. If an excluded Cause of Loss as described in Paragraph **A.** of this endorsement results:

1. In a Covered Cause of Loss under the Equipment Breakdown Coverage Part, the Commercial Crime Coverage Part, the Commercial Inland Marine Coverage Part or the Standard Property Policy;

2. In an "accident" under the Systems Breakdown Coverage Part or the Systems Power Pac Endorsement; or

3. Under the Commercial Property Coverage Part:

a. In a "Specified Cause of Loss," or in elevator collision resulting from mechanical breakdown, under the Causes of Loss — Special Form; or

b. In a Covered Cause of Loss under the Causes of Loss — Basic Form or the Causes of Loss — Broad Form;

we will pay only for the loss ("loss") or damage caused by such "Specified Cause of Loss," elevator collision, "accident", or Covered Cause of Loss.

C. We will not pay for repair, replacement or modification of any items in Paragraphs **A.1.a.** and **A.1.b.** of this endorsement to correct any deficiencies or change any features.

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S 2126796

COMMERCIAL INLAND MARINE DECLARATIONS

Policy Effective Date: AUGUST 15, 2014	Coverage Effective Date: AUGUST 15, 2014

Insurance is provided only for those coverages shown in the following coverage schedule.

Coverage Schedule

Coverage	Premium
BUILDERS' RISK	$634.00

Forms and Endorsements:	Premium Amount
Refer to **"Commercial Policy Forms and Endorsement Schedule"**	$647.00 (This premium may be subject to adjustment.)

CM-7071 (07/94)

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Previous Policy Number	Policy Number
	S 2126796

COMMERCIAL INLAND MARINE COVERAGE SUPPLEMENTAL DECLARATIONS
BUILDERS RISK COVERAGE

Policy Effective Date: AUGUST 15, 2014	Coverage Effective Date: AUGUST 15, 2014

Insurance is provided only for those coverages for which a specific limit is shown in the following coverage schedule.

SCHEDULE

LIMITS OF INSURANCE

A. PROPERTY AT "JOB SITE"

Loc.No.	Bldg.No	Description	Limit of Insurance
1	1	SITE WORK AND DRAINAGE	$453,300

B. PROPERTY IN TRANSIT	$45,330
C. PROPERTY AT ANY TEMPORARY STORAGE LOCATION	$45,330
D. "FLOOD" IN THE AGGREGATE IN ANY ONE POLICY PERIOD	NOT COVERED
E. "EARTHQUAKE" IN THE AGGREGATE IN ANY ONE POLICY PERIOD	NOT COVERED
F. ALL COVERED PROPERTY AT ALL LOCATIONS	$453,300

DEDUCTIBLE

The Deductible amount for "Flood" is $25,000.
unless otherwise stated
The Deductible amount for "Earthquake" is $25,000.
unless otherwise stated
The Deductible amount for all other Covered Causes of "Loss" is $500. unless otherwise stated — $1,000

RATES & PREMIUM

A. NONREPORTING

Rate VARIOUS — Annual Premium $634.00

B. REPORTING

1. Deposit Premium
2. Minimum Annual Premium
3. Reporting Period
4. Premium Adjustment Period
5. Premium Base
6. Rates

SPECIAL PROVISIONS (If Any)

COMMERCIAL INLAND MARINE CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and applicable Additional Conditions in Commercial Inland Marine Coverage Forms:

LOSS CONDITIONS

A. ABANDONMENT

There can be no abandonment of any property to us.

B. APPRAISAL

If we and you disagree on the value of the property or the amount of "loss", either may make written demand for an appraisal of the "loss". In this event. each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of "loss". If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

1. Pay its chosen appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

C. DUTIES IN THE EVENT OF LOSS

You must see that the following are done in the event of "loss" to Covered Property:

1. Notify the police if a law may have been broken.
2. Give us prompt notice of the "loss". Include a description of the property involved.
3. As soon as possible, give us a description of how, when and where the "loss" occurred.
4. Take all reasonable steps to protect the Covered Property from further damage and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent "loss" resulting from a cause of loss that is not a Covered Cause of Loss. Also if feasible, set the damaged property aside and in the best possible order for examination.
5. Make no statement that will assume any obligation or admit any liability, for any "loss" for which we may be liable, without our consent.
6. Permit us to inspect the property and records proving "loss"
7. If requested, permit us to question you under oath, at such times as may be reasonably required, about any matter relating to this insurance or your claim, including your books and records. In such event your answers must be signed.
8. Send us a signed, sworn statement of "loss" containing the information we request to settle the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
9. Promptly send us any legal papers or notices received concerning the "loss".
10. Cooperate with us in the investigation or settlement of the claim.

D. INSURANCE UNDER TWO OR MORE COVERAGES

If two or more of this policy's coverages apply to the same "loss", we will not pay more than the actual amount of the "loss".

E. LOSS PAYMENT

We will pay or make good any "loss" covered under this Coverage Part within 30 days after:

1. We reach agreement with you;
2. The entry of final judgment; or
3. The filing of an appraisal award.

We will not be liable for any part of a "loss" that has been paid or made good by others.

F. OTHER INSURANCE

If you have other insurance covering the same "loss" as the insurance under this Coverage Part, we will pay only the excess over what you should have received from the other insurance. We will pay the excess whether you can collect on the other insurance or not.

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G. PAIR SETS OR PARTS

1. Pair or Set. In case of "loss" to any part of a pair or set we may:

   a. Repair or replace any part to restore the pair or set to its value before the "loss"; or

   b. Pay the difference between the value of the pair or set before and after the "loss".

2. Parts. In case of "loss" to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

H. PRIVILEGE TO ADJUST WITH OWNER

In the event of "loss" involving property of others in your care, custody or control, we have the right to:

1. Settle the "loss" with the owners of the property. A receipt for payment from the owners of that property will satisfy any claim of yours.

2. Provide a defense for legal proceedings brought against you. If provided, the expense of this defense will be at our cost and will not reduce the applicable Limit of Insurance under this insurance.

I. RECOVERIES

Any recovery or salvage on a "loss" will accrue entirely to our benefit until the sum paid by us has been made up.

J. REINSTATEMENT OF LIMIT AFTER LOSS

The Limit of Insurance will not be reduced by the payment of any claim except for total "loss" of a scheduled item, in which event we will refund the unearned premium on that item.

K. Transfer OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If any person or organization to or for whom we make payment under this insurance has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after "loss" to impair them.

GENERAL CONDITIONS

A. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Coverage Part is void in any case of fraud, intentional concealment or misrepresentation of a material fact, by you or any other insured, at any time, concerning:

1. This Coverage Part;

2. The Covered Property;

3. Your interest in the Covered Property; or

4. A claim under this Coverage Part.

B. LEGAL ACTION AGAINST US

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all the terms of this Coverage Part; and

2. The action is brought within 2 years after you first have knowledge of the "loss".

C. NO BENEFIT TO BAILEE

No person or organization, other than you, having custody of Covered Property, will benefit from this insurance.

D. POLICY PERIOD

We cover "loss" commencing during the policy period shown in the Declarations.

E. VALUATION

The value of property will be the least of the following amounts:

1. The actual cash value of that property;

2. The cost of reasonably restoring that property to its condition immediately before "loss"; or

3. The cost of replacing that property with substantially identical property.

In the event of "loss" the value of property will be determined as of the time of "loss".

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BUILDERS RISK COVERAGE FORM

COMMERCIAL INLAND MARINE
CM 71 05NY 07 13

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to **Section G. — DEFINITIONS.**

A. COVERAGE

We will pay for direct physical loss or damage to Covered Property from any of the Covered Causes of Loss.

1. **COVERED PROPERTY,** as used in this Coverage Form, means:

   a. Buildings and structures while in the course of construction, erection or fabrication at the "job site" including foundations of such buildings or structures;

   b. If intended to become a permanent part of the buildings and structures at the "job site", materials, supplies, fixtures, machinery and equipment of any nature whatsoever:

      (1) While at the "job site";

      (2) While at any temporary storage location; or

      (3) While in transit;

   c. If not covered by other insurance, temporary structures while at the "job site", including fencing, cribbing, scaffolding and construction forms; or

   d. Paving, curbing, fencing, retaining walls and outdoor fixtures, if included in the "completed value".

2. **PROPERTY NOT COVERED**

   Covered Property does not include:

   a. Existing buildings or structures to which improvements, alterations, repairs or additions are being made;

   b. Land (including land on which the property is located) or water;

   c. Trees, shrubs, lawns or plants;

   d. Plans, blueprints, designs, specifications or any other similar property; or

   e. Contraband or property in the course of illegal transportation or trade.

3. **COVERED CAUSES OF LOSS**

   Covered Causes of Loss means direct physical loss or damage to Covered Property except those causes of loss or damage listed in **SECTION B. EXCLUSIONS**.

4. **COVERAGE EXTENSIONS**

   Except as otherwise provided, the following Extensions apply to property located in or on each "job site".

   Each of these Extensions is additional insurance unless stated otherwise in the individual Extension.

   The Additional Condition, Coinsurance, does not apply to these Extensions.

   a. **Debris Removal**

      We will pay your expenses to remove debris as a result of loss or damage to Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days after the date of direct physical loss or damage.

      This Coverage Extension does not include the cost to:

      (1) Extract "pollutants" from land or water; or

      (2) Remove, restore or replace polluted land or water.

      The most we will pay under this Coverage Extension is:

      (1) 25% of the amount we pay for the direct physical loss or damage to Covered Property. However, the most we will pay for the total of direct physical loss or damage to Covered Property plus debris removal expense is the Limit of Insurance; and

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(2) If the total of the actual debris removal expense plus the direct physical loss or damage to Covered Property exceeds the Limit of Insurance, we will pay up to an additional $25,000 for debris removal expense.

b. Pollutant Clean Up and Removal

We will pay your expenses to extract "pollutants" from land or water at the "job site" if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days after the date of direct physical loss or damage.

The most we will pay for each "job site" under this Coverage Extension is $25,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy.

The deductible applicable to loss or damage applies separately to each occurrence of loss or damage under this Coverage Extension.

c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to $10,000 for your liability for fire department service charges:

(1) Assumed by contract or agreement prior to loss or damage; or

(2) Required by local ordinance.

No Deductible applies to this Coverage Extension.

d. Back Up of Sewer, Drain or Sump

We will pay for direct loss or damage to Covered Property caused by:

(1) Water or waterborne material that backs up or overflows or is otherwise discharged from the described building's sewer, drain, sump pump or related equipment; or

(2) Water under the ground surface, pressing on, or flowing or seeping through foundations, walls, floors or paved surfaces.

However, with respect to Paragraph (1) above, we will not pay the cost of repairing or replacing a sump pump or its related equipment in the event of mechanical breakdown.

For purposes of this Coverage Extension, drain does not include a roof drain, gutter, downspout or similar fixtures or equipment.

This Coverage Extension does not apply to loss or damage caused by or resulting from:

(1) Your failure to keep a sump pump or its related equipment in proper working condition; or

(2) Your failure to perform the routine maintenance or repair necessary to keep a sewer or drain free from obstructions.

The most we will pay for loss or damage to Covered Property under this Coverage Extension is $100,000 unless otherwise stated in the Special Provisions section in the Declarations.

The deductible applicable to loss or damage applies separately to each occurrence of loss or damage under this Coverage Extension.

This Coverage Extension is not flood insurance. We will not pay for direct physical loss or damage from water or waterborne material that backs up or overflows from a sewer, drain or sump pump caused by any "flood" whether or not the "flood" contributes concurrently or in any sequence to the loss. This applies regardless of the proximity of the "flood" to Covered Property.

e. Total Loss Supplemental Limit

In the event of total loss or damage, we will pay up to an additional 5% of the applicable Limit of Insurance, not to exceed $500,000, to cover increases in the cost of labor, materials and changes in construction specifications.

This Coverage Extension shall not apply to cost increases covered under the ordinance or law coverage provided elsewhere in this policy.

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Payment under this Coverage Extension is contingent on your repair or replacement of the property sustaining loss or damage as soon as practicable after the loss or damage.

The deductible applicable to loss or damage applies separately to each occurrence of loss or damage under this Coverage Extension.

f. Valuable Papers and Records

When a loss or damage to your valuable papers or records such as blueprints, plans, drawings, or data processing media occurs at the "job site" and is caused by a Covered Cause of Loss, we will pay up to $25,000 to reproduce, replace or restore these valuable records not covered by other insurance.

Valuable papers and records do not include accounts, bills, currency, deeds, evidences of debt, money, notes or securities.

Section **2. PROPERTY NOT COVERED,** Item **d.** does not apply to this Coverage Extension.

The deductible applicable to loss or damage applies to each occurrence of loss or damage under this Extension.

g. Trees, Shrubs, Lawns or Plants

We will pay up to $10,000 for loss or damage to trees, shrubs, lawns or plants, if the loss or damage is caused by a Covered Cause of Loss. The most we will pay for any one tree, shrub, lawn or plant, including removal, is $500.

Section **2. PROPERTY NOT COVERED,** Item **c.** does not apply to this Coverage Extension.

The deductible applicable to loss or damage applies separately to each occurrence of loss or damage under this Coverage Extension.

h. Building Ordinance or Law

Except as provided in Paragraph **h.(1) Coverage for Loss to the Undamaged Portion of the Building or Structure,** below, Coverage provided by this Coverage Extension is in addition to the Limit of Insurance.

(1) Coverage for Loss to the Undamaged Portion of the Building or Structure

(a) If a Covered Cause of Loss occurs to covered buildings or structures at the "job site", we will pay for loss or damage to the undamaged portion of the building or structure caused by enforcement of any ordinance or law that:

(I) Requires the demolition of parts of the same property not damaged by a Covered Cause of Loss;

(II) Regulates the construction or repair of buildings, or establishes zoning or land use requirements at the "job site"; and

(III) Is in force at the time of loss or damage.

(b) Coverage for loss to the undamaged portion of the building or structure is included within the Limit of Insurance applicable to the covered "job site". This is not additional insurance.

(c) If the Covered Property is repaired or replaced, on the same "job site" or elsewhere, we will not pay more for loss or damage to Covered Property, including loss or damage caused by enforcement of an ordinance or law, than the lesser of:

(I) The amount you actually spend to repair, rebuild or reconstruct the building or structure, but not for more than the amount it would cost to restore the building or structure on the same "job site" and to the same height, floor area, style and comparable quality of the original property insured; or

(II) The Limit of Insurance applicable to the covered "job site".

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(d) If the Covered Property is not repaired or replaced, we will not pay more for loss or damage to Covered Property, including loss or damage caused by enforcement of an ordinance or law, than the lesser of:

(I) The actual cash value of the building or structure at the time of loss or damage; or

(II) The Limit of Insurance applicable to the covered "job site".

(2) Demolition Cost Coverage

If a Covered Cause of Loss occurs to covered buildings or structures at the "job site" we will pay the cost to demolish and clear the "job site" of undamaged parts of the property, caused by enforcement of building, zoning or land use ordinance or law.

The most we will pay for demolition cost coverage is the lesser of the amount actually spent to demolish and clear the "job site", or $500,000 unless otherwise stated in the Special Provisions section in the Declarations.

(3) Increased Cost of Construction Coverage

(a) If a Covered Cause of Loss occurs to covered buildings or structures at the "job site" we will pay for the increased cost necessary to repair, rebuild or construct the Covered Property caused by the enforcement of building, zoning or land use ordinance or law. If the Covered Property is repaired or rebuilt, it must be intended for similar occupancy as the current property, unless otherwise required by zoning or land use ordinance or law.

(b) The most we will pay for increased cost of construction is $500,000 unless otherwise stated in the Special Provisions section in the Declarations.

(c) We will not pay for increased costs under this coverage:

(I) Until the Covered Property is actually repaired or replaced, at the same "job site" or elsewhere; and

(II) Unless the repairs or replacement are made as soon as reasonably practicable after the loss or damage not to exceed two (2) years.

(d) If the building or structure is repaired or replaced at the same "job site", or if you elect to rebuild at another site, the most we will pay is the lesser of:

(I) The increased cost of construction at the same "job site"; or

(II) $500,000 (or, if otherwise stated, the applicable Increased Cost of Construction Limit shown in the Special Provisions section in the Declarations).

(e) If the ordinance or law requires relocation to another site, the most we will pay is the lesser of:

(I) The increased cost of construction at the new site; or

(II) $500,000 (or, if otherwise stated, the applicable Increased Cost of Construction Limit shown in the Special Provisions section in the Declarations).

(4) We will not pay under **Coverage for Loss to the Undamaged Portion of the Building or Structure, Demolition Cost Coverage, or Increased Cost of Construction Coverage** for costs associated with the enforcement of any ordinance or law that requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to or assess the effects of "pollutants".

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Section **B. EXCLUSIONS,** Item **1.a.** does not apply to this Coverage Extension.

The deductible applicable to loss or damage applies separately to each occurrence of loss or damage under this Extension.

i. Preservation of Property

If it is necessary to move Covered Property from the "jobsite" to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss or damage to that property:

(1) While it is being moved or while temporarily stored at another location; and

(2) Only if the loss or damage occurs within 30 days after the property is first moved.

The most we will pay under this Coverage Extension is $10,000 unless otherwise stated in the Special Provisions section in the Declarations.

The deductible applicable to loss or damage applies separately to each occurrence of loss or damage under this Extension.

j. Fire Protective Systems

If your fire protective equipment discharges accidentally or to control a Covered Cause of Loss, we will pay expenses you incur to:

(1) Recharge or refill your fire protective systems; and

(2) Replace or repair faulty valves or controls which caused the discharge.

The most we will pay under this Coverage Extension is $75,000 unless otherwise stated in the Special Provisions section in the Declarations.

The deductible applicable to loss or damage applies separately to each occurrence of loss or damage under this Extension.

k. Construction Contract Penalty

If your construction contract contains a clause that requires you to pay a penalty as a direct result of loss or damage to Covered Property from a Covered Cause of Loss, we will pay for that penalty.

The most we will pay under this Coverage Extension is $25,000 unless otherwise stated in the Special Provisions section in the Declarations.

The deductible applicable to loss or damage applies separately to each penalty you are required to pay under this Coverage Extension.

l. Jobsite Trailers

We will pay for loss or damage to mobile office or storage trailers and their contents while at the "job site" from a Covered Cause of Loss.

The most we will pay under this Coverage Extension is $25,000 unless otherwise stated in the Special Provisions section in the Declarations.

The deductible applicable to loss or damage applies separately to each occurrence of loss or damage under this Coverage Extension.

m. Site Preparation

If the cost of excavation, site preparation, land grading and similar work is included in the applicable Limit of Insurance for the "job site", we will pay for expenses you incur to re-excavate the site, re-prepare the site, re-grade the land, or re-perform similar work because of a loss or damage to Covered Property by a Covered Cause of Loss.

Any payment under this Coverage Extension is included within and will not increase the Limit of Insurance shown in the Declarations.

The deductible in this policy applicable to the loss or damage will apply separately to each loss or damage under this Coverage Extension.

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n. GreenPac® Coverage

(1) "Green" Property — Increased Costs

(a) We will pay the reasonable increased costs to repair or replace the damaged or destroyed portion or parts of the Covered Property with "green" property meeting the standards of a "green standards organization" provided it performs the same or similar function and is otherwise of like kind and quality.

(b) We will pay the reasonable increased costs to employ methods and processes of construction and debris recycling consistent with those of a "green standards organization" in the repair and replacement of the damaged or destroyed Covered Property. Any payments you receive for the recycled debris shall be deducted from the amount of loss or damage.

(c) We will not pay under this Coverage Extension:

(I) Until the property is actually repaired or replaced, at the same, or another premises; and

(II) Unless the repairs or replacement are made as soon as reasonably practicable after the loss or damage, not to exceed two years. We may extend this period in writing during the next two years.

(2) LEED® Accredited Green Professionals

We will pay reasonable additional costs for the fees of professionals such as architects, engineers or interior designers granted accreditation by the United States Green Building Council.

(3) Recertification or Certification

(a) If the building or commercial interior was certified by a "green standards organization" prior to loss or damage, we will pay the additional reasonable and necessary fees for recertification with the same "green standards organization" for the same level of certification that existed prior to the loss or damage.

(b) If the building or commercial interior was not certified by a "green standards organization" prior to loss or damage, we will pay the reasonable and necessary costs to certify the Covered Property for "basic green standards" level.

(4) Testing of Building Systems

We will pay the necessary and reasonable expenses to test building systems and building equipment to determine whether or not they are functioning in accordance with the planned specifications.

We will not pay expenses to test production equipment used in your business.

(5) Ventilation

We will pay for the reasonable and necessary costs you incur to flush out or ventilate the air in the repaired, replaced or reconstructed Covered Property in accordance with the applicable standards of the "green standard organization".

(6) Limits of Insurance

(a) Subject to the provisions in Paragraphs **(1)** through **(5)** above, the most we will pay for loss or damage in any one occurrence is the lesser of:

(I) $25,000;

(II) The additional costs for replacement of lost or damaged property with "green" property and the recycling of debris consistent with "basic green standards" of the "green standards organization";

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(III) The additional costs for replacement of lost or damaged property with "green" property or the recycling of debris consistent with the same standards level of the "green standards organization" if the Covered Property has already met that higher level. This applies whether the Covered Property was certified at the time of loss or damage or not; or

(IV) Up to 15% of the amount that would have been paid had this Coverage Extension not been included on the policy.

(b) Subject to the provisions of Paragraph **(a)** above in this Section:

The Limit of Insurance is the most we will pay for all covered losses or damages under this Coverage Extension in any one policy period regardless of the number of covered buildings or structures, locations or losses or damages.

(7) Additional Exclusions

The coverages provided by this Coverage Extension do not apply to any increased payment for loss or damage:

(a) To clean up or remove "pollutants";

(b) To clean up, remove, restore or replace property because of the presence of "fungus", wet or dry rot; or

(c) Attributable to any standards you did not comply with before loss or damage.

(8) Excess Ordinance Or Law Coverage

(a) The coverage provided by this Coverage Extension shall apply in excess of any coverage provided in this policy elsewhere for Ordinance or Law covering the repair, replacement or reconstruction of property to the standards of a "green standards organization" or for other environmentally friendly or sustainable design features mandated by the applicable building code.

(b) The coverage provided in this Paragraph **(8)** applies to the Increased Cost of Construction part of Ordinance or Law Coverage. It does not apply to any costs to demolish property or for loss to undamaged property.

(c) The coverage provided in this Paragraph **(8)** does not apply to additional costs for use of "green" construction materials or construction methods or processes or payment of professionals fees broader in scope than that provided in Paragraphs **(1)** through **(5)** of this Coverage Extension.

(d) The coverage provided in this Paragraph **(8)** does not apply to any costs due to an Ordinance or Law that you were required but failed to comply with before the loss or damage.

B. EXCLUSIONS

1. We will not pay for a loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

   a. ORDINANCE OR LAW

   The enforcement of any ordinance or law:

   (1) Regulating the construction, use or repair of any property; or

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(2) Requiring the tearing down of any property, including the cost of removing its debris.

This exclusion applies whether the loss or damage results from:

(a) An ordinance or law that is enforced even if the property has not been damaged; or

(b) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss or damage to that property.

b. EARTH MOVEMENT

(1) "Earthquake", including any earth sinking, rising or shifting related to such event;

(2) Landslide, including any earth sinking, rising or shifting related to such event;

(3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;

(4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty.

Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

(5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or "volcanic action", we will pay for the loss or damage caused by that fire, building glass breakage or "Volcanic Action".

But if Earth Movement, as described in **b.(1)** through **b.(4)** above, results in fire or explosion, we will pay for the loss or damage to Covered Property caused by that fire or explosion.

This exclusion does not apply to Covered Property while in transit.

c. GOVERNMENTAL ACTION

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this Coverage Form.

d. NUCLEAR HAZARD

Nuclear reaction or radiation, or radioactive contamination, however caused. But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for the direct loss or damage caused by that fire if the fire would be covered under this Coverage Form.

e. WAR AND MILITARY ACTION

(1) War, including undeclared or civil war;

(2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

(3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

f. "FLOOD"

But if "flood" results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

This exclusion does not apply to Covered Property while in transit.

g. WATER

Except as provided under Coverage Extension **4.d. Back Up of Sewer, Drain or Sump:**

(1) Water that backs up or overflows from a sewer, drain or sump; or

(2) Water under the ground surface pressing on, or flowing or seeping through:

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(a) Foundations, walls, floors or paved surfaces;

(b) Basements, whether paved or not; or

(c) Doors, windows or other openings.

But if Water, as described in **g.(1)** or **g.(2)** above, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

Exclusions **B.1.a.** through **B.1.i.** apply whether or not the loss event results in widespread damage or affects a substantial area.

2. We will not pay for loss or damage caused by or resulting from any of the following:

   a. Delay, loss of use, loss of market or any other consequential loss, except as provided under any endorsement providing coverage for "soft costs".

   b. Unexplained disappearance.

   c. Shortage found upon taking inventory.

   d. Dishonest or criminal act committed by:

      (1) You, any of your partners, employees (including leased or temporary employees), directors, officers, trustees or authorized representatives;

      (2) A "manager" or "member" if you are a limited liability company;

      (3) Anyone else with an interest in the property, or their employees or authorized representatives; or

      (4) Anyone else to whom the property is entrusted.

      This exclusion applies whether or not such persons are acting alone or in collusion with other persons or such acts occur during the hours of employment.

      This exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire or to acts of destruction by your employees (including leased or temporary employees). But theft by employees (including leased or temporary employees) is not covered.

   e. Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

   f. Unauthorized instructions to transfer property to any person or to any place.

   g. Artificially electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:

      (1) Electrical or electronic wire, device, appliance, system or network; or

      (2) Device, appliance, system or network utilizing cellular or satellite technology.

      For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes but is not limited to electrical current, including arcing; electrical charge produced or conducted by a magnetic or electromagnetic field; pulse of electromagnetic energy; electromagnetic waves or microwaves.

      But if artificially generated electrical, magnetic or electromagnetic energy, as described above, results in fire or explosion, we will pay for the direct loss or damage caused by that fire or explosion, if the fire or explosion would be covered under this Coverage Form.

   h. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

   i. Rain, snow, sleet or ice to personal property that is outside of a building.

   j. Breach of any guarantee or warranty (expressed or implied) by you or any contractor, manufacturer or supplier.

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3. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for the loss or damage caused by the Covered Cause of Loss.

   a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph **1.** above to produce the loss or damage.

   b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

   c. Faulty, inadequate or defective:

      (1) Planning, zoning, development, surveying, siting;

      (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;

      (3) Materials used in repair, construction, renovation or remodeling; or

      (4) Maintenance;

      of part or all of any property wherever located.

   d. Settling, cracking, shrinkage, bulging or expansion.

   e. Wear and tear.

   f. Any quality in the property that causes it to damage or destroy itself, hidden or latent defect, gradual deterioration.

   g. Mechanical breakdown.

   h. Insects, vermin, rodents or animals.

   i. Rust or other corrosion, dampness or extremes of temperature.

C. LIMITS OF INSURANCE

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

D. DEDUCTIBLE

1. We will not pay for loss or damage in any one occurrence until the amount of the adjusted loss or damage before applying the applicable Limits of Insurance exceeds the Deductible shown in the Declarations. We will then pay the amount of the adjusted loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

2. If loss or damage covered under this Coverage Form also involves loss or damage under any other coverage form issued by us or any company affiliated with us, the most we will deduct from the payment for loss or damage to Covered Property is the single largest deductible involved. Furthermore, each deductible will only be applied against its applicable coverage and, any deductible amount(s) actually taken will be applied toward any remaining larger deductible(s).

E. ADDITIONAL CONDITIONS

1. VALUATION

The Valuation Conditions under the General Conditions section in the Commercial Inland Marine Conditions is replaced by the following:

The value of Covered Property will be based on "replacement cost".

"Replacement cost" is limited to the cost of repair or replacement with similar materials on the same "job site" and used for the same purpose. It does not include costs you incur over and above the costs you would have incurred had there been no loss including:

a. Additional interest payments on money borrowed to finance construction, remodeling, renovation or repair including increased interest payments due to a rise in interest rates;

b. Additional insurance premiums, real estate and property taxes, and assessments which you incur for the period of time covered by this endorsement that construction extends beyond the estimated completion date;

c. Additional construction permit, architect, engineering and consulting fees which become necessary due to the direct physical loss or damage;

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d. Additional legal, lease administration or accounting fees;

e. Additional advertising and promotional expenses which become necessary due to the direct physical loss or damage; and

f. The additional cost to extend leases for construction equipment and temporary office space.

If the part of the covered property that sustains direct physical loss or damage is repaired or replaced, the payment will not exceed the amount you spend to repair or replace the damaged or destroyed property.

2. **TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US**

The following Paragraph is added to General Condition **K.** Transfer Of Rights Of Recovery Against Others To Us in the Commercial Inland Marine Conditions:

We will waive any rights of recovery we may have against a person or organization because of payments we make for loss or damage to Covered Property if you have agreed to waive any right of recovery against that person or organization in a written contract or written agreement, but only if the loss or damage occurs subsequent to the execution of the written contract or written agreement. However, this does not apply to:

a. Any architect, engineer or other party or entity responsible for any design, specification or plans for the fabrication, erection or completion of the property insured with respect to any loss or damage that may be caused by:

(1) Fault, defect, error or omission in such design, specifications or plans; or

(2) Performance of, or failure to perform, supervisory or management functions related to the construction project(s).

b. Any contractor, manufacturer or supplier of Covered Property that has agreed to make good any loss or damage under a guarantee or warranty.

3. The following conditions apply in addition to the Commercial Inland Marine Conditions and the Common Policy Conditions:

a. **COVERAGE TERRITORY**

We cover property wherever located within:

(1) The United States of America (including its territories and possessions);

(2) Puerto Rico; and

(3) Canada.

b. **COINSURANCE**

All Covered Property, except property in transit, must be insured for its total "completed value" as of the time of loss or damage or you will incur a penalty.

The penalty is that we will pay only the proportion of any loss or damage that the limit of insurance at the "job site" bears to the "completed value" of all property at that "job site". This penalty will not apply to property in transit.

c. **MORTGAGE HOLDERS**

(1) The term mortgage holder includes trustee.

(2) We will pay for covered loss or damage to Covered Property to each mortgage holder shown in the Declarations in their order of precedence, as interests may appear.

(3) The mortgage holder has the right to receive loss or damage payment even if the mortgage holder has started foreclosure or similar action on the Covered Property.

(4) If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Form, the mortgage holder will still have the right to receive loss or damage payment if the mortgage holder:

(a) Pays any premium due under this Coverage Form at our request if you have failed to do so;

(b) Submits a signed, sworn statement of loss or damage within 60 days after receiving notice from us of your failure to do so; and

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(c) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgage holder.

All terms of this Coverage Form will then apply directly to the mortgage holder.

(5) If we pay the mortgage holder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Form:

(a) The mortgage holder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and

(b) The mortgage holder's right to recover the full amount of the mortgage holder's claim will not be impaired.

At our option, we may pay to the mortgage holder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

(6) If we cancel this policy, we will give written notice to the mortgage holder at least:

(a) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or

(b) 30 days before the effective date of cancellation if we cancel for any other reason.

(7) If we elect not to renew this policy, we will give written notice to the mortgage holder at least 10 days before the expiration date of this policy.

d. LOSS PAYABLE

For Covered Property in which both you and a Loss Payee shown on the Loss Payee Schedule have an insurable interest, we will:

(1) Adjust losses or damages with you; and

(2) Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.

e. WHEN COVERAGE WILL END

The insurance provided by this Coverage Form will end when one of the following first occurs:

(1) This policy expires or is cancelled;

(2) The property is accepted by the owner or buyer;

(3) Your interest in the property ceases;

(4) You abandon the construction with no intention to complete it; or

(5) Unless we specify otherwise in writing:

(a) 90 days after construction is complete; or

(b) 60 days after any building described in the Declarations is:

(I) Occupied in whole or in part; or

(II) Put to its intended use for other than testing purposes.

f. PROVISIONAL LIMIT OF INSURANCE

The Limit of Insurance at the "job site" described in the Declarations is provisional. The actual Limit of Insurance on any date during the policy term is the smaller of the following amounts:

(1) The proportion of the Limit of Insurance that the actual value of the Covered Property on that date bears to the "completed value" of the Covered Property; or

(2) The Limit of Insurance at the "job site" described in the Declarations.

g. ADDITIONAL INSUREDS

We agree to include as additional insureds the owner(s), general contractor(s), subcontractor(s) and sub-subcontractor(s) whom you have agreed in a written contract, written agreement or written permit to add as an additional insured on your policy, but only with respect to their financial interest in the Covered Property loss or damage, if any, arising under this condition, shall be adjusted with and paid to you.

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h. REPORTS AND PREMIUM

(1) Reports.

(a) Reporting Requirements.

Within 30 days after the end of each reporting period shown in the Declarations, you will report to us the amount of the Premium Base shown in the Declarations.

(b) Failure to Submit Reports.

If as of the time of loss or damage you have failed to submit the required reports:

(1) Our liability will not exceed the amounts included in your last report; or

(2) If you have not submitted any reports, our liability will be limited to no more than 90% of the amount for which we should otherwise be liable.

(c) Reports in Excess of Limits of Insurance.

Although the total amount reported will be used in calculating earned premium, we will not pay more than the applicable Limit of Insurance stated in the Declarations.

(d) Full Reporting.

If your last report before any loss or damage is for less than the total amount required to be reported, the COINSURANCE Additional Condition is replaced with the following:

We will pay only that proportion of the loss or damage that the amounts you reported bear to the actual total amount as of the last report.

(2) Rates and Premium.

(a) Deposit Premium.

The Deposit Premium charged at the inception of each policy year is an advance premium. We will determine the earned premium for this insurance based on your reports.

(b) Premium Computation.

We will compute the premium:

(1) Using the rates and Premium Base shown in the Declarations; and

(2) As of each Premium Adjustment Period shown in the Declarations.

(c) Premium Adjustment.

(1) When the Annual Premium Adjustment Period is shown in the Declarations, we will compare the total computed premium to the Deposit Premium. If it is more than the Deposit Premium, you will pay us the difference. If it is less than the Deposit Premium, we will pay you the difference.

(2) When any other Premium Adjustment Period is shown in the Declarations, we will apply the computed premium to the Deposit Premium until it is used up. You will pay us all premiums that exceed the Deposit Premium.

(d) Minimum Premium.

You must pay at least the minimum annual premium shown in the Declarations.

(e) Cancellation.

If this coverage is cancelled, you will report the amount of the Premium Base as of the date of cancellation. We will compute the premium for less than a full adjustment period on a pro rata basis.

F. Optional Coverages

1. Flood

If a Limit of Insurance applicable to "Flood" is shown in the Declarations, Exclusion **1.f.** of Section **B. EXCLUSIONS** does not apply to loss or damage by "flood" up to the "Flood" Limit of Insurance shown in the Declarations.

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The "Flood" Deductible shown in the Declarations will apply to each loss or damage caused by or resulting from "flood".

2. Earthquake

If a Limit of Insurance applicable to "Earthquake" is shown in the Declarations, Exclusion **1.b.** of Section **B. EXCLUSIONS** does not apply to loss or damage by "earthquake" up to the "Earthquake" Limit of Insurance shown in the Declarations.

All "earthquake" shocks or volcanic eruptions that occur within any 72-hour period will constitute a single occurrence. The expiration of this policy will not reduce the 72-hour period.

The "Earthquake" Deductible shown in the Declarations will apply to each loss or damage caused by or resulting from "earthquake".

G. DEFINITIONS

1. "Basic Green Standards" means the first level or least rigorous level of the grading or evaluation systems applied to a building, structure, or commercial interior by a "green standards organization".

2. "Completed value" means the finished value of the Covered Property at the date of completed construction, including labor, reasonable profit and delivery charges.

3. "Earthquake" means any earth movement, such as earthquake, landslide, mudflow or earth sinking, rising or shifting.

4. "Flood" means flood, surface water, waves (including tidal waves and tsunami), tides, tidal water, overflow of any body of water, or their spray, all whether or not driven by wind (including storm surge); or mudslide or mudflow.

5. "Green" means building materials, components, products, equipment; and construction and design methods and technologies which reduce environmental impact through conservation of energy, water and other natural resources. This includes creation of less toxic and cleaner buildings and surrounding environment.

6. "Green Standards Organization" means an industry recognized authority on "green" including:

   a. The United States Green Building Council (USGBC) with its Leadership in Energy and Environmental Development (LEED® grading system);

   b. The Green Building Initiative with its Green Globes® Assessment and rating system;

   c. The United States Department of Energy and Environmental Protection Agency's "Energy Star®" requirements; and

   d. Other building site use and development, water saving, energy efficiency, materials, equipment, appliances or other environmental quality designed and maintained standards.

7. "Job site" means the premises described in the Declarations where the Covered property will be permanently located at completion of the construction, erection or fabrication.

8. "Manager" means a person serving in a directorial capacity for a limited liability company.

9. "Member" means an owner of a limited liability company represented by its membership interest, who also may serve as a "manager".

10. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

11. "Replacement cost" means:

    a. The necessary and reasonable costs of materials and labor incurred to repair or replace, without deduction for depreciation, the part of the covered property that sustains direct physical loss or damage;

    b. The reasonable overhead and profit related to the covered property that sustains direct physical loss or damage but not to exceed the overhead and profit being charged for the construction, erection or fabrication of a covered building or structure in accordance with the construction contracts; and

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c. Other related construction costs and expenses that are re-incurred to repair or replace the part of the covered property that sustains direct physical loss or damage but only if such costs have been included as part of the Limit of Insurance for a covered building or structure.

12. "Soft costs" mean only the following additional expenses over and above the estimated completed cost of any building or structure covered by this endorsement:

    a. Additional interest payments on money borrowed to finance construction, remodeling, renovation, or repair including increased interest payments due to a rise in interest rates;

    b. Additional insurance premiums, real estate and property taxes, and assessments which you incur for the period of time covered by this endorsement that construction extends beyond the estimated completion date;

    c. Additional construction permit, architect, engineering and consulting fees which become necessary due to the direct physical loss or damage;

    d. Additional legal, lease administration or accounting fees;

    e. Additional advertising and promotional expenses which become necessary due to the direct physical loss or damage; and

    f. The additional cost to extend leases for construction equipment and temporary office space.

13. "Volcanic action" means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

    a. Airborne volcanic blast or airborne shock waves;

    b. Ash, dust or particulate matter; or

    c. Lava flow.

    All volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

    "Volcanic action" does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

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LIBERALIZATION

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART

The following General Condition is added to the Commercial Inland Marine Conditions:

Liberalization

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

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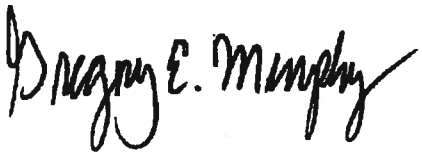
We will provide the insurance described in this policy in return for the premium and compliance with all applicable provisions of this policy

Secretary



Chairman

Misc-1597 (10/06)

INSURED'S COPY

NOTICE — OFFER OF TERRORISM COVERAGE

NOTICE — DISCLOSURE OF PREMIUM

You are hereby notified that under the Terrorism Risk Insurance Act, or its replacement, that you have a right to purchase coverage for losses resulting from losses from acts of Terrorism, as defined in Section 102(1) of the Act. The term "act of terrorism" means any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State, and the Attorney General of the United States, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States mission; and to have been committed by an individual or individuals, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

In accordance with the Terrorism Risk Insurance Act, we are required to offer you coverage for losses resulting from an act of terrorism **that is certified** under this federal program. The policy's other provisions will still apply to such an act. **You may accept or reject this offer. IF YOU CHOOSE TO ACCEPT THIS OFFER OF COVERAGE, NO ACTION IS NECESSARY ON YOUR PART. If, after careful consideration, you choose to reject this offer of terrorism coverage, you must contact your agent to obtain a terrorism coverage rejection form. Your rejection of this offer of coverage must be completed within the first thirty (30) days of the policy period.**

See the section of this Notice titled **DISCLOSURE OF PREMIUM.** Unless you choose to reject this offer of coverage, your premium will include the additional premium for terrorism as stated in such **DISCLOSURE.** However, the terrorism exclusion makes an exception for (and thereby provides coverage for) fire losses resulting from an act of terrorism. Therefore, if you reject the offer of terrorism coverage, that rejection does not apply to fire losses resulting from an act of terrorism — coverage for such fire losses is provided in your policy. The additional premium just for such fire coverage is stated in the **DISCLOSURE OF PREMIUM.**

DISCLOSURE OF FEDERAL PARTICIPATION IN PAYMENT OF TERRORISM LOSSES

You should know that coverage provided for certified acts of terrorism is partially reimbursed by the United States Government under a formula established by federal law. Under this formula, the United States Government will pay a share of terrorism losses insured under the federal program. The federal share equals 85% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed $100 billion in a Program Year (January 1 through December 31), the Treasury shall not make any payment for any portion of the amount of such losses that exceeds $100 billion. Coverage lines not subject to the federal participation are commercial auto, burglary and theft, surety, professional liability and farmowners.

CAP ON INSURER PARTICIPATION IN PAYMENT OF TERRORISM LOSSES

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed $100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds $100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

DISCLOSURE OF PREMIUM

YOUR POLICY INCLUDES TERRORISM COVERAGE FOR AN ADDITIONAL PREMIUM OF $ $13.00. IF YOU REJECT THE TERRORISM COVERAGE, AS NOTED ABOVE THE PREMIUM FOR TERRORISM (FIRE ONLY) COVERAGE IS $ $0.00.

INSURED'S COPY

IMPORTANT NOTICE REGARDING AGENT COMPENSATION

We sell our insurance products and services through appointed independent insurance agencies and agents ("Agent" or "Agents"). Because Agents also generally represent several of our competitors, our primary marketing strategy is to:

- Develop close relationships with each Agent by (i) soliciting their feedback on products and services, (ii) advising them concerning company developments, and (iii) investing significant time with them professionally and socially; and

- Develop with each Agent, and then carefully monitor, annual goals regarding (i) types and mix of risks placed with us, (ii) amounts of premium or numbers of policies placed with us, (iii) customer service levels, and (iv) profitability of business placed with us.

We pay Agents commissions and other consideration for business placed with us (and we do not authorize our Agents to receive other monies for our insurance). We seek to compensate our Agents fairly and in a way consistent with market practices.

Our Agent compensation programs may include one or more of the following depending on the Agent's overall business relationship with us:

- **Commission Payments.** We pay commission based on a percentage of the premium the policyholder pays. The amount of commission varies depending on policy type, state location of risk, and other factors.

- **Additional Commission Payments.** We may pay additional and varying percentages of premium for attainment of certain goals we set with the Agent, including:

    - **Profitability,** which we determine by comparing losses and expenses to premium;

    - **Volume,** which is the amount of premium written with us;

    - **Growth and Retention,** which we measure by comparing premium volume or number of policies for overall or specific types of policies; or

    - **Annual Plan Performance,** which we measure according to performance standards determined by us and the Agent.

  In certain cases, an Agent may put additional commissions at risk and become obligated to pay us amounts if certain goals are not met.

- **Expense Reimbursement.** We may reimburse certain marketing and other expenses incurred for placing business with us.

- **Entertainment and Other Things of Value.** We may entertain or provide other things of value, including travel and gratuities, to Agents who we believe provide exceptional value to our policyholders and shareholders.

- **Business Production Incentive Programs.** We may provide Agents or their employees opportunities to receive additional compensation (cash or contest prizes) for certain activities or tasks, such as placing specific types of policies with us or inputting data through one of our technology systems.

INSURED'S COPY

- **Loss Control Agreements.** We may pay Agents a flat fee or a percentage of commission for safety and loss control surveys, inspections, accident or claim investigations.

- **Agent Stock Purchase Plan.** Certain of our Agents participate in a stock purchase plan that allows those Agents to purchase common stock in Selective Insurance Group, Inc. at a 10% discount to market and requires those agents to hold the stock for at least one year before they can transfer it.

As supporters of the independent insurance agency distribution system, we may provide Agents from time-to-time with tools and programs designed to preserve and strengthen the independent agency distribution system, including assistance with producer recruitment and/or training, loans, or loan guarantees. These tools and programs, which may be experimental, are provided to assist our Agents in the perpetuation of robust independent insurance agencies and are not conditioned on the imposition of extraordinary current or future production conditions.

We also distribute our insurance products to a limited extent through select insurance brokers which we compensate with some of the same compensation tools we use for Agents. If you have engaged a broker to place insurance with us, please ask the broker if any of the above described compensation arrangements are in effect with us.

Please direct questions regarding specific compensation to your Agent.

IMPORTANT NOTICE

BUILDERS RISK COVERAGE FORM ADVISORY NOTICE TO POLICYHOLDERS

CM 71 92 04 08 — BUILDERS RISK COVERAGE FORM has been replaced with an updated version, **CM 71 05NY 07 13.**

THIS IS A SUMMARY OF THE MAJOR CHANGES TO YOUR POLICY. THIS NOTICE DOES NOT REFERENCE EVERY EDITORIAL OR NON-MATERIAL CHANGE MADE IN THE COVERAGE FORM. NO COVERAGE IS PROVIDED BY THIS SUMMARY NOR CAN IT BE CONSTRUED TO REPLACE ANY PROVISIONS OF YOUR POLICY OR ENDORSEMENTS. YOU SHOULD READ YOUR POLICY AND REVIEW YOUR DECLARATION PAGE FOR COMPLETE INFORMATION ON THE COVERAGES YOU ARE PROVIDED. IF THERE IS ANY CONFLICT BETWEEN THE POLICY AND THIS SUMMARY, THE PROVISIONS OF THE POLICY SHALL PREVAIL.

The majority of the changes in the form are updates for clarification purposes with no impact on coverage. The major areas within the policy that broaden or reduce coverage are highlighted below.

BROADENING OF COVERAGE

— The following have been added to COVERED PROPERTY:

- Foundations.
- Paving, curbing, fencing, retaining walls, and outdoor fixtures, if included in the "completed value".

— The following COVERAGE EXTENSIONS have been added:

- Preservation of Property
- Fire Protection Systems
- Construction Contract Penalty
- Jobsite Trailers
- Site Preparation
- GreenPac® Coverage

— The following changes have been made to the ADDITIONAL CONDITIONS:

- VALUATION CONDITION has been changed from Actual Cash Value to Replacement Cost.
- TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS has been added on a blanket basis if required in a written contract or written agreement.
- LOSS PAYABLE CONDITION has been added.
- A condition has been added for automatic Additional Insured status for owner(s), General Contractor(s), subcontractor(s) and sub-subcontractor(s) as agreed in a written contract, written agreement or written permit.

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REDUCTION IN COVERAGE

— The Coverage Extension for Broadened Water — Direct Damage has been renamed Back Up of Sewer, Drain or Sump and does not apply to loss or damage caused by or resulting from:

(1) Your failure to keep a sump pump or its related equipment in proper working condition; or

(2) Your failure to perform the routine maintenance or repair necessary to keep a sewer or drain free from obstructions.

— Volcanic eruption, explosion or effusion has been added to the Earth Movement exclusion.

— Partners, directors, officers, trustees or authorized representatives and "managers" or "members" of LLC's have been specifically added as individuals whose dishonest or criminal acts are excluded.

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INSURED'S COPY

Insurance is provided by the Company designated on the Declarations Page of this policy. The addresses of all Selective Insurance Companies are shown below:

Selective Insurance Company of America
40 Wantage Avenue
Branchville, NJ 07890

Selective Way Insurance Company
40 Wantage Avenue
Branchville, NJ 07890

Selective Insurance Company of South Carolina
11711 North Meridian Street
Carmel, IN 46032

Selective Insurance Company of New York
1500 Liberty Bank Building
Buffalo, NY 14202

Selective Insurance Company of the Southeast
11711 North Meridian Street
Carmel, IN 46032

Administrative Offices of all Selective Insurance Companies are located at:
40 Wantage Avenue
Branchville, NJ 07890

Your application or information you provide in connection with a claim is our major source of information. However, in order to evaluate your application for insurance, to service your policy or to process a claim, we may ask for additional information about you and any person who will be insured under this policy or who is the subject of the claim. This is sometimes necessary to make certain that the statements on your application are accurate or to process the claim. We may also need more details than you have already given us.

INFORMATION WE COLLECT

In connection with an application, the information that we may collect will enable us to make possible judgments about your character, habits, hobbies, finances, occupation, general reputation, health or other personal characteristics. In connection with a claim, the information we may collect will enable us to process the claim.

We may obtain this information from several sources. For example, we may contact any physician, clinic or hospital where any persons to be insured or making a claim have been treated. We may need information from your employer. But, before we ask for information from any of these sources, we will ask you to sign an authorization, which gives us permission to proceed, unless authorization is not required by law.

We may get information by talking or writing to other insurance companies to which you applied for a policy or with which you have made a claim, members of your family, neighbors, friends, your insurance agent and others who know you. We may also obtain information from motor vehicle reports, court records, or photographs of the property you want insured or with regard to which you have made a claim.

CONSUMER REPORTS

It is common for an insurance company to order a report from an independent organization — a consumer reporting agency or an insurance-support organization — to verify and add to the information that you have given us. These reports are used to help us decide if you qualify for the insurance for which you have applied or to evaluate the claim you have made.

They may:

_____ pertain to your mode of living, character, general reputation and personal characteristics such as health, job and finances.

_____ contain information on your marital status, driving records, etc.

_____ include information on the loss history of your property.

_____ include information gathered by talking or writing to you or members of your family, neighbors, friends, your insurance agent and others who know you.

_____ include information from motor vehicle reports, court records or photographs of your property and/or the property involved in the claim.

Upon your request, the consumer reporting agency or insurance-support organization will attempt to interview you in connection with any report it prepares. The information may be kept by the reporting organization and may later be given to others who use its services. It will be given only to the extent permitted by the Federal Fair Credit Reporting Act and your local state law, if any. Upon request and identification, the consumer reporting agency or insurance-support organization will provide you with a copy of the report.

DISCLOSURE OF INFORMATION

Information we collect about you will not be given to anyone without your consent, except when necessary to conduct our business. There are some disclosures which may be made without your prior authorization. These include:

_____ Persons or organizations who need the information to perform a professional, business or insurance function for us, such as businesses that assist us with data processing or marketing.

_____ Other insurance companies, agents, or consumer reporting agencies as it may be needed in connection with any application, policy or claim involving you.

_____ Adjusters, appraisers, investigators and attorneys who need the information to investigate or settle a claim involving you.

_____ An insurance-support organization which is established to collect information for the purpose of detecting and preventing insurance crimes or fraudulent claims.

_____ A medical professional or institution to verify your insurance coverage or inform you of a medical condition of which you may not be aware.

_____ Persons or organizations that conduct scientific research, including actuarial or underwriting studies.

_____ Persons or organizations that will use the information for sales purposes, unless you indicate in writing to us that you do not want the information disclosed for this purpose.

_____ Our affiliated companies for auditing our operations and for marketing an insurance product or service.

In addition, we may provide information to state insurance departments in connection with their regulatory authority and to other governmental or law enforcement authorities to protect our legal interests or in cases of suspected fraud or illegal activities.

YOUR INSURANCE POLICY FILES

Information we collect about you will be kept in our policy files. We may refer to this information if you file a claim for benefits under any policy you have with us or if you apply to us for a new policy. You have the right to know what kind of information we keep in our files about you, to have access to the information, and to receive a copy. There are some types of information; however, to which we are not required to give you access. This type of information is generally collected when we evaluate a claim or when the possibility of a lawsuit exists.

If you want information from your files, please contact us. There may be a nominal charge for copies of records. If you think your file contains incorrect information, notify us indicating what you believe is incorrect and your reasons. We will reinvestigate the matter and either correct our records or place a statement from you in our files explaining why you believe the information is incorrect. We will also notify persons or organizations to whom we previously disclosed the information of the change or your statement.

CONFIDENTIALITY AND SECURITY OF PERSONAL INFORMATION

We restrict access to personal information to those individuals who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with legal standards and ensure the confidentiality of personal information in accordance with our policy.

TREATMENT OF PERSONAL INFORMATION OF FORMER CUSTOMERS AND APPLICANTS

We adhere to this personal information privacy policy even when a customer relationship no longer exists. Disclosures about former applicants and customers may be made without prior authorization as permitted by law.

If you have any questions about our information practices, please contact us.

COUNTY OF ERIE, STATE OF NEW YORK
DIVISION OF PURCHASE
EXHIBIT "PBI"

95 FRANKLIN STREET, RM. 1254
Buffalo, New York 14202

PERFORMANCE BOND
BOND # B 1148203

KNOW ALL MEN BY THESE PRESENTS, that we, .NFP & Sons, Inc. . . . . of . 7311 Ward Rd., N. Tonawanda, NY 14120. . . . . (hereinafter called PRINCIPAL) and the . . Selective Insurance Company of America,. . . . . a corporation of the State of . New Jersey. . having its principal office in the City of . Branchville, NJ. . . and authorized to do business in the State of New York (hereinafter call SURETY) and held and firmly bound into the . County of Erie,. New York (hereinafter call OBLIGEE), in the amount of Four hundred Fifty-three thousand three hundred and 00/100 Dollars, ($453,300.00)Dollars, lawful money of the United States of America, for the payment of which the PRINCIPAL and SURETY hereby bind themselves, their heirs, executors, administrators, successors and assigns jointly and severally, firmly by these presents.

WHEREAS, THE ABOVE BOUNDEN principal has by written agreement dated . 7/24/2014 entered into a contract with the OBLIGEE for $453,300.00 which contract and documents included therein by referenced is by referenced made a part hereof (hereinafter called Contract), covering the following project . . . . . .

Erie County Sewer District No. 5
Contract No. 19 - Clarence REsearch Park STP Improvements

NOW, THEREFORE, the condition of this obligation is such that if the PRINCIPAL shall:

1. well and truly perform and fulfill all the undertakings, covenants, terms, conditions and agreements of said Contract during the original terms of said CONTRACT and any extensions thereof, that may be granted by the OBLIGEE, with or without notice to the SURETY, and during the life of any guarantee required under the Contract, and shall also well and truly perform and fulfill all the undertakings, convents, terms, conditions and agreements of any and all modifications of said Contract that may hereafter be made, with or without notice to the SURETY.

2. promptly make payment to all persons having a direct Contract with the PRINCIPAL or with a subcontractor of the PRINCIPAL supplying labor and material in the prosecution of the work provided for in said Contract and any and all modifications of said Contract that may hereinafter be made, notice of which modifications to the SURETY being hereby waived:

then this obligation shall be void, otherwise to remove in full force and effect.

PROVIDED, HOWEVER, and this bond is executed and accepted upon the following express conditions:

1. That all persons who have supplied labor and material as aforesaid shall have a direct right of action hereunder against the PRINCIPAL and the SURETY, subject, however, to the prior right of the OBLIGEE to recover hereunder on account of any loss or damage caused to it by the failure of the PRINCIPAL to perform the Contract as aforesaid.

2. The SURETY for value received hereby stipulates and agrees, if requested to do so by the OBLIGEE to fully perform and complete the work and furnish the materials mentioned and described in said Contract pursuant to terms, conditions and covenants thereof, if for any cause said PRINCIPAL fails or neglects to so fully perform said work; the said SURETY further agrees to commence said work of completion twenty (20) days after notice thereof from the OBLIGEE.

3. That the OBLIGEE shall notify the SURETY by registered letter, addressed and mailed to its Home Office, of any breach of said Contract within sixty (60) days after such breach shall have come to the knowledge of the OBLIGEE, (Owner).

4. That the SURETY shall not be liable hereunder for any damage or compensation recoverable under any Workmen's Compensation of Employer's Liability Statute.

5. That no suit, action or proceeding for loss or damage caused by a breach of any of the conditions of this bond shall be rought against the SURETY by the OBLIGEE after one (1) year from the day of final acceptance of the work by the Owner.

6. That no suit, action or proceeding for loss caused by the failure of the PRINCIPAL to pay all persons supplying labor and material in the prosecution of the work under said Contract shall be brought against the SURETY after six (6) months from the day on which final payment of the Contract is made.

Signed, sealed and dated this . . 5th . . day . . August . . 20 14 . .

. . . . . .
(PRINCIPAL)

NFP & Sons, Inc. . . . . .
(PRINCIPAL)
By . . . . . .
President, Vise President, ~~Secretary-Tres.~~

. . . . .Selective Insurance Company of America . .(Seal)
(SURETY)
By . . . . . .

EXECUTED POWERS OF ATTORNEY TO BE SUBMITTED WITH PERFORMANCE BOND

ACKNOWLEDGMENT OF PRINCIPAL
(Individual or Partnership)

STATE OF _____
COUNTY OF _____ } ss:

On this _____ day of _____ , _____ ,before me personally appeared the above named _____

to me known and known to me to be the same described in and who executed the above instrument and dully acknowledged the execution of the same.

_____
Notary Public _____ County

(Corporation)

STATE OF New York
COUNTY OF Niagara } ss:

On this 13th day of August , 2014 ,before me personally appeared Franklin A. Prezioso

to me known , who, being by me duly sworn, did depose and say that he/she resides in North Tonawanda, NY

that he/she is the Vice President of NFP and Sons, Inc.

the corporation described in and which executed the foregoing instrument; that he/she knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was affixed by order of the Board of Directors of said corporation and that he/she signed his/her name thereto by like order.

Heather E Perri
Notary Public Niagara County

HEATHER E PERRI
Notary Public - State of New York
NO. 01PE6218432
Qualified in Niagara County
My Commission Expires Mar 8, 2018

ACKNOWLEDGMENT OF SURETY

STATE OF NEW YORK
COUNTY OF ERIE } ss:

On this 5th day of August , 2014 ,before me personally appeared James M. Kuryak to me known, who, being by me duly sworn, did depose and say that he/she resides in _____

that he/she is the Attorney-in-Fact of the Selective Insurance Company of America

the corporation described in and which executed the foregoing instrument; that he/she knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation and that he/she signed his/her name thereto by like order; and deponent further says that he/she is acquainted with James M. Kuryak and knows him/her to be the Attorney-in-Fact subscribed to the within instrument is in the genuine handwriting of the said James M. Kuryak and was subscribed thereto by like order of the Board of Directors in the presence of deponent.

Susan A. Stachowiak
Notary Public ERIE County

SUSAN A. STACHOWIAK
Notary Public, State of New York
Qualified in Erie County
Reg No. 01ST502293
My Commission Expires Jan 3, 20 18

B-70 (2/97) (For use in New York ONLY)

SELECTIVE®

Selective Insurance Company of America
40 Wantage Avenue
Branchville, New Jersey 07890
973-948-3000

BondNo.B 1148203

POWER OF ATTORNEY

Class B Performance Bond

SELECTIVE INSURANCE COMPANY OF AMERICA, a New Jersey corporation having its principal office at 40 Wantage Avenue, in Branchville, State of New Jersey ("SICA"), pursuant to Article VII, Section 1 of its By-Laws, which state in pertinent part:

> The Chairman of the Board, President, Chief Executive Officer, any Executive Vice President, any Senior Vice President or any Corporate Secretary may, from time to time, appoint attorneys in fact, and agents to act for and on behalf of the Corporation and they may give such appointee such authority, as his/her certificate of authority may prescribe, to sign with the Corporation's name and seal with the Corporation's seal, bonds, recognizances, contracts of indemnity and other writings obligatory in the nature of a bond, recognizance or conditional undertaking, and any of said Officers may, at any time, remove any such appointee and revoke the power and authority given him/her.

does hereby appoint **James M. Kuryak**

, its true and lawful attorney(s)-in-fact, full authority to execute on SICA's behalf fidelity and surety bonds or undertakings and other documents of a similar character issued by SICA in the course of its business, and to bind SICA thereby as fully as if such instruments had been duly executed by SICA's regularly elected officers at its principal office, in amounts or penalties not exceeding the sum of: **Four Hundred Fifty Three Thousand Three Hundred Dollars ($453,300.00)**

Signed this **5th** day of **August**, **2014**

SELECTIVE INSURANCE COMPANY OF AMERICA

By: _____

Brian C. Sarisky
Its SVP, Chief U/W Officer, Commercial Lines

SELECTIVE INSURANCE COMPANY OF AMERICA CORPORATE SEAL 1926 NEW JERSEY

CERTIFIED COPY

STATE OF NEW JERSEY :
:ss. Branchville
COUNTY OF SUSSEX :

On this **5th** day of **August**, **2014** before me, the undersigned officer, personally appeared Brian C. Sarisky, who acknowledged himself to be the Vice President of SICA, and that he, as such Vice President, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as Vice President and that the same was his free act and deed and the free act and deed of SICA.

CHARLENE KIMBLE NOTARY PUBLIC NEW JERSEY BondNo.B 1148203

Charlene Kimble
Notary Public of New Jersey
My Commission Expires 6/2/2016

_____
Notary Public

The power of attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of SICA at a meeting duly called and held on the 6th of February 1987, to wit:

"RESOLVED, the Board of Directors of Selective Insurance Company of America authorizes and approves the use of a facsimile corporate seal, facsimile signatures of corporate officers and notarial acknowledgements thereof on powers of attorney for the execution of bonds, recognizances, contracts of indemnity and other writing obligatory in the nature of a bond, recognizance or conditional undertaking."

CERTIFICATION

I do hereby certify as SICA's Corporate Secretary that the foregoing extract of SICA's By-Laws and Resolution are still in force and effect and this Power of Attorney issued pursuant to and in accordance with the By-Laws is valid.

Signed this **5th** day of **August**, **2014**.

_____
Michael H. Lanza, SICA Corporate Secretary

SELECTIVE INSURANCE COMPANY OF AMERICA CORPORATE SEAL 1926 NEW JERSEY

Important Notice: If the bond number embedded within the Notary Seal does not match the number in the upper right-hand corner of this Power of Attorney, contact us at 973-948-3000.

SELECTIVE®

Selective Insurance Company of America
40 Wantage Avenue
Branchville, New Jersey 07890
973-948-3000

BondNo.B 1148203

STATEMENT OF FINANCIAL CONDITION

Class B Performance Bond

I hereby certify that the following information is contained in the Annual Statement of Selective Insurance Company of America ("SICA") to the New Jersey Department of Banking and Insurance as of December 31, 2013:

ADMITTED ASSETS (in thousands)		LIABILITIES AND SURPLUS (in thousands)	
Bonds	$ 1,223,024	Reserve for losses and loss expenses	$ 895,187
Preferred stocks at convention value	0	Reserve for unearned premiums	293,169
Common stocks at convention values	130,174	Provision for unauthorized reinsurance	853
Subsidiary common stock at convention values	0	Commissions payable and contingent commissions	20,314
Short-term investments	82,666	Other accrued expenses	19,390
Mortgage loans on real estate (including collateral loans)	36,721	Other liabilities	258,668
Other invested assets	77,505	Total liabilities	1,487,581
Interest and dividends due or accrued	12,795		
Premiums receivable	277,559	Surplus as regards policyholders	463,438
Other admitted assets	110,575		
Total admitted assets	$ 1,951,019	Total liabilities and surplus as regards policyholders	$ 1,951,019

I further certify that the following is a true and exact excerpt from Article VII, Section 1 of the By-Laws of SICA, which is still valid and existing.

> The Chairman of the Board, President, Chief Executive Officer, any Executive Vice President, any Senior Vice President or any Corporate Secretary may, from time to time, appoint attorneys in fact, and agents to act for and on behalf of the Corporation and they may give such appointee such authority, as his/her certificate of authority may prescribe, to sign with the Corporation's name and seal with the Corporation's seal, bonds, recognizances, contracts of indemnity and other writings obligatory in the nature of a bond, recognizance or conditional undertaking, and any of said Officers may, at any time, remove any such appointee and revoke the power and authority given him/her.

IN WITNESS WHEREOF, I hereunto subscribe my name and affix the seal of SICA this 13 day of March 2014.

Michael H. Lanza
SICA Corporate Secretary

SELECTIVE INSURANCE COMPANY OF AMERICA
CORPORATE SEAL 1926 NEW JERSEY

STATE OF NEW JERSEY :
:ss. Branchville
COUNTY OF SUSSEX :

On this 13 day of March 2014, before me, the undersigned officer, personally appeared Michael H. Lanza, who acknowledged himself to be the Corporate Secretary of SICA, and that he, as such Corporate Secretary, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as Corporate Secretary.

Notary Public
My Commission Expires:

CHARLENE KIMBLE NOTARY PUBLIC NEW JERSEY

Charlene Kimble
Notary Public of New Jersey
My Commission Expires 6/2/2016

Selective Insurance Company of America
40 Wantage Avenue
Branchville, New Jersey 07890
973-948-3000

BondNumberB 1148203

SURETY DISCLOSURE STATEMENT AND CERTIFICATION

Selective Insurance Company of America, surety on the attached bond, hereby certifies the following:

(1) The surety meets the applicable capital and surplus requirements of R.S.17:17-6 or R.S.17:17-7 as of the surety's most current annual filing with the New Jersey Department of Banking and Insurance.

(2) The capital and surplus, as determined in accordance with the applicable laws of the State of New Jersey, of the surety issuing the attached bond are in the following amounts as of the calendar year ended December 31, 2013, which amounts have been certified by certified public accountants:

Company	Capital	Surplus	CPA
Selective Insurance Company of America	$4,400,000	$463,437,879	KPMG LLP 345 Park Avenue New York, NY 10154

(3) With respect to the surety issuing the attached bond that has received from the United States Secretary of the Treasury a certificate of authority pursuant to 31 U.S.C. sec 9305, the underwriting limitation established therein and the date as of which the limitation was effective is as follows:

Company	Underwriting Limitation	Effective Date
Selective Insurance Company of America	$46,344,000	July 1, 2014

(4) The amount of the bond to which this statement and certification is attached is $ **453,300.00** .

CERTIFICATE

(To be completed by an authorized certifying agent/officer for each surety on the bond)

I, Timothy A. Marchio, as Vice President, Bond SBU for Selective Insurance Company of America, a corporation domiciled in New Jersey, DO HEREBY CERTIFY that, to the best of my knowledge, the foregoing statements made by me are true, and ACKNOWLEDGE that, if any of those statements are false, this bond is VOIDABLE.

Timothy A. Marchio
(Signature of certifying agent/officer)

Timothy A. Marchio
(Printed name of certifying agent/officer)

Vice President, Bond SBU
(Title of certifying agent/officer)

Dated: **August 5th 2014**
(month, day, year)

B-98 (6/14)

POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM INSURANCE COVERAGE

The Terrorism Risk Insurance Act of 2002 establishes a program within the Department of the Treasury under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks. The Act applies when the Secretary of the Treasury certifies that an event meets the definition of an act of terrorism. The Act provides that to be certified an act of terrorism the event must cause losses of at least five million dollars and must have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest to coerce the government or population of the United States.

Coverage for acts of terrorism is already included in your current bond. In accordance with the federal Terrorism Risk Insurance Act of 2002, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to the coverage for terrorist acts certified under that Act.

DISCLOSURE OF PREMIUM
Your current bond includes coverage for terrorist acts certified under the Act for no additional premium.

DISCLOSURE OF FEDERAL PARTICIPATION IN PAYMENT OF TERRORISM LOSSES
The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 90% of that portion of the amount of such insured losses that exceeds the applicable insurer retention.

SELECTIVE®

ALL NOTICES REGARDING CLAIMS AGAINST THIS BOND MUST BE MAILED OR FAXED TO:

SELECTIVE INSURANCE COMPANY OF AMERICA
Attention: BOND CLAIMS
P.O. Box 7266
London, KY 40742

Telefax: 866-324-3471

Phone: 866-455-9969

Bond No. B1148203

PAYMENT BOND

KNOW ALL MEN BY THESE PRESENTS: That we NFP & Sons, Inc. (Name of Contractor) a Corporation (Corporation, Partnership or Individual) hereinafter called "Principal" and Selective Insurance Company of America (Surety) of City of Branchville, State of New Jersey hereinafter called the "Surety", are held and firmly bound unto the County of Erie (Owner) of Buffalo, NY (City and State), hereinafter called "Owner", in the penal sum of Four Hundred fifty-three thousand three hundred and 00/100********** Dollars ($ 453,300.00), in lawful money of the United States, for the payment of which sum well and truly to me made, we bind ourselves, our heirs, executors, administrators and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION is such that whereas, the Principal entered into a certain Contract with the Owner, dated the 24th day of July 2014, a copy of which is hereto attached and made a part hereof for the construction of:

NOW, THEREFORE, if the Principal shall promptly make payment to all persons, firms, subcontractors, and corporations, furnishing materials for or performing labor, in the prosecution of the work provided for in such Contract, and any authorized extension or modification thereof, including all amounts due for materials, lubricants, oil, gasoline, coal and coke, repairs on machinery, equipment and tools, consumed or used in connection with the construction of such work, and all insurance premiums on said work, and for all labor, performed in such work whether by subcontractor or otherwise, then this obligation shall be void; otherwise to remain in full force and effect for a period of one (1) year from the date of issue of the Statement of Completion.

PROVIDED, FURTHER that said surety, for value received hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract or to the work to be performed thereunder or the specifications accompanying the same shall in any way affect its obligation on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Contract or to the work or to the specifications.

PROVIDED, FURTHER, that no final settlement between the Owner and the Contractor shall abridge the right of any beneficiary hereunder, whose claim may be unsatisfied.

IN WITNESS, WHEREOF, this instrument is executed in six (6) counterparts, each one of which shall be deemed an original, this the 5th date of August 2014.

ATTEST: _____

NAME OF CONTRACTOR (PRINCIPAL)

NFP & SONS, INC.

By: _____

Printed Name: Franklin A. Prezioso

Title: Vice President

Address: 7311 Ward Rd.
N. Tonawanda, NY 14120

_____
Witness as to Principal

_____
Address – Zip Code

(SEAL)

WITNESS: _____

SURETY

SELECTIVE INSURANCE COMPANY OF AMERICA

By: _____

Printed Name: James M. Kuryak, Attorney-in-Fact

Title: Attorney-in-Fact

Address: 5001 Genesee St.
Buffalo, NY 14120

_____
Witness as to Surety

_____
Address – Zip Code

(SEAL)

NOTE: Date of Bond must not be prior to date of Contract if Contractor is Partnership, all partners should execute Bond.

If the Contractor (Principal) is a partnership, the bond should be signed by each of the individuals who are partners.

If the Contractor (Principal) is a corporation, the bond should be signed in its correct corporate name by a duly authorized officer, agent or attorney-in-fact.

ACKNOWLEDGMENT OF PRINCIPAL
(Individual or Partnership)

STATE OF _____
COUNTY OF _____ } ss:

On this _____ day of _____ , _____ ,before me personally appeared the above named _____

to me known and known to me to be the same described in and who executed the above instrument and dully acknowledged the execution of the same.

_____
Notary Public _____ County

(Corporation)

STATE OF New York
COUNTY OF Niagara } ss:

On this 13th day of August , 2014 ,before me personally appeared Franklin A. Prezioso

to me known , who, being by me duly sworn, did depose and say that he/she resides in North Tonawanda, NY

that he/she is the Vice President of NFP and Sons Inc.

the corporation described in and which executed the foregoing instrument; that he/she knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was affixed by order of the Board of Directors of said corporation and that he/she signed his/her name thereto by like order.

Heather E Perri
Notary Public Niagara County

HEATHER E PERRI
Notary Public - State of New York
NO. 01PE6218432
Qualified in Niagara County
My Commission Expires Mar 8, 2018

ACKNOWLEDGMENT OF SURETY

STATE OF NEW YORK
COUNTY OF ERIE } ss:

On this 5th day of August , 2014 ,before me personally appeared James M. Kuryak to me known, who, being by me duly sworn, did depose and say that he/she resides in _____

that he/she is the Attorney-in-Fact of the Selective Insurance Company of America

the corporation described in and which executed the foregoing instrument; that he/she knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation and that he/she signed his/her name thereto by like order; and deponent further says that he/she is acquainted with James M. Kuryak and knows him/her to be the Attorney-in-Fact subscribed to the within instrument is in the genuine handwriting of the said James M. Kuryak and was subscribed thereto by like order of the Board of Directors in the presence of deponent.

Susan A. Stachowiak
Notary Public ERIE County

SUSAN A. STACHOWIAK
Notary Public, State of New York
Qualified in Erie County
Reg No. 01ST502293
My Commission Expires Jan 3, 20 18

B-70 (2/97) (For use in New York ONLY)

SELECTIVE®

Selective Insurance Company of America
40 Wantage Avenue
Branchville, New Jersey 07890
973-948-3000

BondNo.B 1148203

POWER OF ATTORNEY

Class B Performance Bond

SELECTIVE INSURANCE COMPANY OF AMERICA, a New Jersey corporation having its principal office at 40 Wantage Avenue, in Branchville, State of New Jersey ("SICA"), pursuant to Article VII, Section 1 of its By-Laws, which state in pertinent part:

> The Chairman of the Board, President, Chief Executive Officer, any Executive Vice President, any Senior Vice President or any Corporate Secretary may, from time to time, appoint attorneys in fact, and agents to act for and on behalf of the Corporation and they may give such appointee such authority, as his/her certificate of authority may prescribe, to sign with the Corporation's name and seal with the Corporation's seal, bonds, recognizances, contracts of indemnity and other writings obligatory in the nature of a bond, recognizance or conditional undertaking, and any of said Officers may, at any time, remove any such appointee and revoke the power and authority given him/her.

does hereby appoint **James M. Kuryak**

, its true and lawful attorney(s)-in-fact, full authority to execute on SICA's behalf fidelity and surety bonds or undertakings and other documents of a similar character issued by SICA in the course of its business, and to bind SICA thereby as fully as if such instruments had been duly executed by SICA's regularly elected officers at its principal office, in amounts or penalties not exceeding the sum of: **Four Hundred Fifty Three Thousand Three Hundred Dollars ($453,300.00)**

Signed this **5th** day of **August**, **2014**

SELECTIVE INSURANCE COMPANY OF AMERICA

By: _____

Brian C. Sarisky
Its SVP, Chief U/W Officer, Commercial Lines

SELECTIVE INSURANCE COMPANY OF AMERICA CORPORATE SEAL 1926 NEW JERSEY

CERTIFIED COPY

STATE OF NEW JERSEY :
:ss. Branchville
COUNTY OF SUSSEX :

On this **5th** day of **August**, **2014** before me, the undersigned officer, personally appeared Brian C. Sarisky, who acknowledged himself to be the Vice President of SICA, and that he, as such Vice President, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as Vice President and that the same was his free act and deed and the free act and deed of SICA.

CHARLENE KIMBLE NOTARY PUBLIC NEW JERSEY BondNo.B 1148203

Charlene Kimble
Notary Public of New Jersey
My Commission Expires 6/2/2016

_____
Notary Public

The power of attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of SICA at a meeting duly called and held on the 6th of February 1987, to wit:

"RESOLVED, the Board of Directors of Selective Insurance Company of America authorizes and approves the use of a facsimile corporate seal, facsimile signatures of corporate officers and notarial acknowledgements thereof on powers of attorney for the execution of bonds, recognizances, contracts of indemnity and other writing obligatory in the nature of a bond, recognizance or conditional undertaking."

CERTIFICATION

I do hereby certify as SICA's Corporate Secretary that the foregoing extract of SICA's By-Laws and Resolution are still in force and effect and this Power of Attorney issued pursuant to and in accordance with the By-Laws is valid.

Signed this **5th** day of **August**, **2014**.

_____
Michael H. Lanza, SICA Corporate Secretary

SELECTIVE INSURANCE COMPANY OF AMERICA CORPORATE SEAL 1926 NEW JERSEY

Important Notice: If the bond number embedded within the Notary Seal does not match the number in the upper right-hand corner of this Power of Attorney, contact us at 973-948-3000.

SELECTIVE®

Selective Insurance Company of America
40 Wantage Avenue
Branchville, New Jersey 07890
973-948-3000

BondNo.B 1148203

STATEMENT OF FINANCIAL CONDITION

Class B Performance Bond

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IN WITNESS WHEREOF, I hereunto subscribe my name and affix the seal of SICA this 13 day of March, 2014.

Michael H. Lanza
SICA Corporate Secretary

SELECTIVE INSURANCE COMPANY OF AMERICA
CORPORATE SEAL 1926 NEW JERSEY

STATE OF NEW JERSEY :
:ss. Branchville
COUNTY OF SUSSEX :

On this 13 day of March 2014, before me, the undersigned officer, personally appeared Michael H. Lanza, who acknowledged himself to be the Corporate Secretary of SICA, and that he, as such Corporate Secretary, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as Corporate Secretary.

Notary Public
My Commission Expires:

CHARLENE KIMBLE NOTARY PUBLIC NEW JERSEY

Charlene Kimble
Notary Public of New Jersey
My Commission Expires 6/2/2016

Selective Insurance Company of America
40 Wantage Avenue
Branchville, New Jersey 07890
973-948-3000

BondNumberB 1148203

SURETY DISCLOSURE STATEMENT AND CERTIFICATION

Selective Insurance Company of America, surety on the attached bond, hereby certifies the following:

(1) The surety meets the applicable capital and surplus requirements of R.S.17:17-6 or R.S.17:17-7 as of the surety's most current annual filing with the New Jersey Department of Banking and Insurance.

(2) The capital and surplus, as determined in accordance with the applicable laws of the State of New Jersey, of the surety issuing the attached bond are in the following amounts as of the calendar year ended December 31, 2013, which amounts have been certified by certified public accountants:

Company	Capital	Surplus	CPA
Selective Insurance Company of America	$4,400,000	$463,437,879	KPMG LLP 345 Park Avenue New York, NY 10154

(3) With respect to the surety issuing the attached bond that has received from the United States Secretary of the Treasury a certificate of authority pursuant to 31 U.S.C. sec 9305, the underwriting limitation established therein and the date as of which the limitation was effective is as follows:

Company	Underwriting Limitation	Effective Date
Selective Insurance Company of America	$46,344,000	July 1, 2014

(4) The amount of the bond to which this statement and certification is attached is $ **453,300.00** .

CERTIFICATE

(To be completed by an authorized certifying agent/officer for each surety on the bond)

I, Timothy A. Marchio, as Vice President, Bond SBU for Selective Insurance Company of America, a corporation domiciled in New Jersey, DO HEREBY CERTIFY that, to the best of my knowledge, the foregoing statements made by me are true, and ACKNOWLEDGE that, if any of those statements are false, this bond is VOIDABLE.

Timothy A. Marchio
(Signature of certifying agent/officer)

Timothy A. Marchio
(Printed name of certifying agent/officer)

Vice President, Bond SBU
(Title of certifying agent/officer)

Dated: August 5th 2014
(month, day, year)

B-98 (6/14)

POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM INSURANCE COVERAGE

The Terrorism Risk Insurance Act of 2002 establishes a program within the Department of the Treasury under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks. The Act applies when the Secretary of the Treasury certifies that an event meets the definition of an act of terrorism. The Act provides that to be certified an act of terrorism the event must cause losses of at least five million dollars and must have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest to coerce the government or population of the United States.

Coverage for acts of terrorism is already included in your current bond. In accordance with the federal Terrorism Risk Insurance Act of 2002, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to the coverage for terrorist acts certified under that Act.

DISCLOSURE OF PREMIUM
Your current bond includes coverage for terrorist acts certified under the Act for no additional premium.

DISCLOSURE OF FEDERAL PARTICIPATION IN PAYMENT OF TERRORISM LOSSES
The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 90% of that portion of the amount of such insured losses that exceeds the applicable insurer retention.

SELECTIVE®

ALL NOTICES REGARDING CLAIMS AGAINST THIS BOND MUST BE MAILED OR FAXED TO:

SELECTIVE INSURANCE COMPANY OF AMERICA
Attention: BOND CLAIMS
P.O. Box 7266
London, KY 40742

Telefax: 866-324-3471

Phone: 866-455-9969